cellnex

2023 Consolidated Financial Statements

Next chapter,
a strengthened commitment

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2023 and
Consolidated Directors' Report, together
with Independent Auditor's Report

Deloitte.

Deloitte, S.L.
Avda. Diagonal, 654
08034 Barcelona
España

Tel: +34 932 80 40 40
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cellnex Telecom, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2023, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description	Procedures applied in the audit
Notes 8 and 9 to the accompanying consolidated financial statements as at 31 December 2023 contain a description of the goodwill, other intangible assets and property, plant and equipment relating mainly to infrastructure for the provision of services to mobile telecommunications operators, and also of the cash-generating units (CGUs) identified by the Group. In relation to those assets, each year the Group tests each of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques, for which purpose it employs cash flow projections aligned with projected earnings and the necessary investments, as well as other assumptions obtained from the budget and from the business plan approved by the Parent's directors, irrespective of whether there are indications of impairment, given the sensitivity of the key assumptions used. Also, a discount rate is determined on the basis of the economic situation in general and of that of each CGU in particular.	Our audit procedures included, among others, obtaining an understanding of the Group's process for assessing the recoverable amount of the goodwill, other intangible assets and property, plant and equipment. In addition, we performed substantive tests based on the obtainment and analysis of the impairment tests conducted by the Group, verifying their clerical accuracy and also analysing the consistency of the future cash flow projections considered in those tests with the budget and most recent business plan approved by the Parent's directors. Also, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions and an analysis of their consistency with the actual data relating to the performance of each CGU.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description

The performance of these impairment tests requires the Parent's directors to make significant judgements and estimates. As a result of this circumstance, together with the significance of those assets at the reporting date, this matter was determined to be a key matter in our audit.

Procedures applied in the audit

In addition, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Lastly, we checked that the disclosures included in Notes 3.c, 8 and 9 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Business combinations

Description

In 2022 the Group effected certain business combinations, the most significant being the acquisition of the telecommunications infrastructure business of Hutchison in the United Kingdom, the purchase price of which was definitively allocated in 2023 as indicated in Notes 2.h and 6 to the accompanying consolidated financial statements as at 31 December 2023.

Procedures applied in the audit

Our audit procedures included, among others, obtaining an understanding of the Group's process for identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose.

Business combinations

Description

These combinations are complex transactions which include contractual agreements the recognition of which in the consolidated financial statements requires the Parent's directors to make significant judgements and estimates.

In addition, in the process of identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose, significant judgements and estimates also had to be made and, therefore, the Group, where appropriate, was assisted by experts engaged by it for this purpose.

The accompanying consolidated financial statements include the completed accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combination effected in 2022 (see Note 5), since the applicable legislation allows the allocation of fair value to be re-estimated during a period of one year from the acquisition date.

Consequently, the analysis of these transactions was a key audit matter in our audit.

Procedures applied in the audit

Also, we performed substantive tests based on the obtainment and analysis of the contractual documentation, placing particular emphasis on the transfer of the risks associated with the business in order to determine when the obtainment of control of the aforementioned business should be accounted for.

In addition, we obtained the final analysis carried out by the Group to determine the fair value of the assets acquired and the liabilities assumed, and verified the same aspects and that the comparative figures had been restated in accordance with the applicable regulations.

To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the business plan relating to the business acquired. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions.

With regard to the external experts engaged by the Group, we evaluated their competence, capability and objectivity, and obtained an understanding of their work as experts and of the appropriateness of that work for use as audit evidence.

Business combinations	
Description	Procedures applied in the audit
	Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows. Lastly, we evaluated whether the disclosures included in Notes 2.h, 5 and 6 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2023, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Director's Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2023 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and Risk Management Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit and risk management committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on pages 9 and 10 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Cellnex Telecom, S.A. and subsidiaries for 2023, which comprise the XHTML file including the consolidated financial statements for 2023 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Cellnex Telecom, S.A. are responsible for presenting the annual financial report for 2023 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report were included by reference in the consolidated directors' report.

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit and Risk Management Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit and risk management committee dated 29 February 2024.

Engagement Period

The Annual General Meeting held on 21 July 2020 appointed us as auditors for a period of three years from the year ended 31 December 2020.

Previously, we were designated by the sole shareholder for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2013 and, therefore, since the year ended 31 December 2015, the year in which the Parent became a Public Interest Entity.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21443

29 February 2024

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

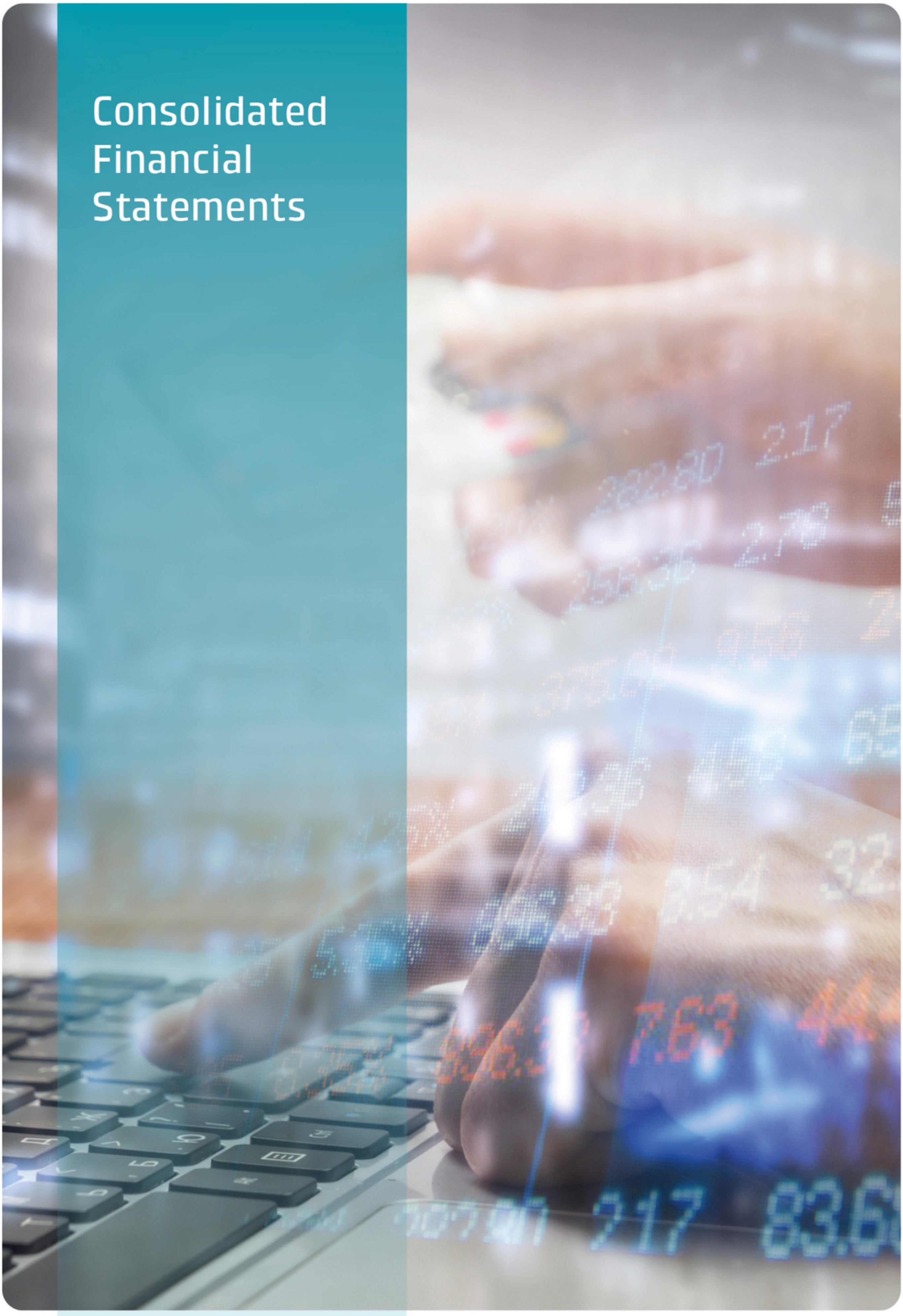
We communicate with the Parent's audit and risk management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and risk management committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit and risk management committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Consolidated Financial Statements



Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2023

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Translation of Consolidated Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

(Thousands of Euros)

	Notes	31 December 2023	31 December 2022 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 8	11,666,875	10,697,761
Intangible assets	Note 9	24,699,687	26,649,209
Right-of-use assets	Note 16	3,100,817	3,347,737
Investments in associates	Note 10	42,321	33,232
Financial investments	Note 13.b	137,089	117,568
Derivative financial instruments	Note 11	78,944	161,523
Trade and other receivables	Note 12	294,914	75,259
Deferred tax assets	Note 18	601,909	641,090
Total non-current assets		**40,622,556**	**41,723,379**
CURRENT ASSETS			
Inventories		6,258	4,771
Trade and other receivables	Note 12	1,155,606	1,174,988
Receivables from associates	Note 24	—	25
Financial investments	Note 13.b	3,972	3,663
Derivative financial instruments	Note 11	22,221	—
Cash and cash equivalents	Note 13	1,292,439	1,038,179
Total current assets		**2,480,496**	**2,221,626**
Non-current assets held for sale	Note 7	**1,262,192**	**51,427**
TOTAL ASSETS		**44,365,244**	**43,996,432**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2023.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

(Thousands of Euros)

	Notes	31 December 2023	31 December 2022 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	176,619	176,619
Treasury shares	Note 14.a	(40,456)	(47,619)
Share premium	Note 14.b	15,482,472	15,522,762
Reserves	Note 14.c	(1,384,657)	(1,131,997)
Loss for the period	Note 14.g	(297,220)	(297,058)
		13,936,758	**14,222,707**
Non-controlling interests	Note 14.f	1,210,035	966,693
Total net equity		**15,146,793**	**15,189,400**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	17,805,892	17,747,336
Lease liabilities	Note 16	2,118,162	2,409,704
Derivative financial instruments	Note 11	18,922	25,290
Provisions and other liabilities	Note 19.c	1,722,325	2,018,713
Employee benefit obligations	Note 19.b	56,303	51,727
Deferred tax liabilities	Note 18	3,965,554	4,268,135
Total non-current liabilities		**25,687,158**	**26,520,905**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	906,394	143,352
Lease liabilities	Note 16	696,257	576,151
Derivative financial instruments	Note 11	986	—
Provisions and other liabilities	Note 19.c	400,973	147,255
Employee benefit obligations	Note 19.b	90,697	62,851
Payables to associates	Note 24	261	710
Trade and other payables	Note 17	1,141,687	1,333,994
Total current liabilities		**3,237,255**	**2,264,313**
Liabilities associated with non-current assets held for sale	Note 7	**294,038**	**21,814**
TOTAL NET EQUITY AND LIABILITIES		**44,365,244**	**43,996,432**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2023.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Services		3,804,076	3,247,713
Other operating income		245,147	247,467
Operating income	**Note 20.a**	**4,049,223**	**3,495,180**
Staff costs	Note 20.b	(333,984)	(270,383)
Other operating expenses	Note 20.c	(784,638)	(658,518)
Change in provisions		(3,894)	(15,269)
Depreciation, amortisation and results from disposals of fixed assets	Notes 7, 8, 9, 16 and 20.e	(2,552,635)	(2,320,694)
Operating profit		**374,072**	**230,316**
Financial income	Note 20.f	76,445	22,519
Financial costs	Note 20.f	(556,970)	(424,073)
Interest expense on lease liabilities	Note 20.f	(327,324)	(327,405)
Net financial loss		**(807,849)**	**(728,959)**
Profit of companies accounted for using the equity method	Note 10	(2,635)	(4,239)
Loss before tax		**(436,412)**	**(502,882)**
Income tax	Note 18	120,589	189,946
Consolidated net loss		**(315,823)**	**(312,936)**
Attributable to non-controlling interests	Note 14.f	(18,603)	(15,878)
Net loss attributable to the Parent Company		**(297,220)**	**(297,058)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.44)	(0.44)
Diluted	Note 14.e	(0.29)	(0.29)

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated income statement corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated, as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
LOSS FOR THE PERIOD		**(315,823)**	**(312,936)**
Income and expenses recognised directly in net equity, transferable to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(47,689)	81,984
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies	Note 11	1,975	(1,554)
Foreign exchange differences	Note 14	392,204	(212,715)
Tax effect		13,160	(20,842)
Income and expenses recognised directly in net equity, not transferable to the consolidated income statement:			
Changes in the fair value of financial liabilities at fair value through equity	Notes 14 and 19.c	(31,726)	(9,703)
Total income and expenses recognised directly in net equity		**327,924**	**(162,830)**
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(105)	(929)
Tax effect		26	232
Total income transferred to the consolidated income statement		**(79)**	**(697)**
Total consolidated comprehensive profit / (loss)		**12,022**	**(476,463)**
Attributable to:			
- Company shareholders		(13,962)	(464,261)
- Non-controlling interests		25,984	(12,202)
Total consolidated comprehensive profit / (loss)		**12,022**	**(476,463)**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	Share capital	Treasury shares	Share premium	Reserves	Profit for the period	Non-controlling interests	Net equity
At 1 January 2022		**169,832**	**(60,802)**	**14,580,762**	**(133,427)**	**(362,539)**	**1,633,652**	**15,827,478**
Comprehensive income for the year		—	—	—	(167,203)	(297,058)	(12,202)	**(476,463)**
Distribution of 2021 profit		—	—	—	(362,539)	362,539	—	**—**
Treasury shares	Note 14.a	—	13,183	—	(52,391)	—	—	**(39,208)**
Changes in the consolidation scope	Note 2.i	—	—	—	(418,139)	—	(672,844)	**(1,090,983)**
Final dividend	Note 14.d	—	—	(36,635)	—	—	—	**(36,635)**
Capital increase and other equity contributions	Note 14.a	6,787	—	978,635	—	—	15,929	**1,001,351**
Employee remuneration payable in shares	Note 19.b	—	—	—	(5,759)	—	—	**(5,759)**
Other		—	—	—	7,461	—	2,158	**9,619**
At 31 December 2022 (*)		**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**
At 1 January 2023 (*)		**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**
Comprehensive income for the year		—	—	—	283,258	(297,220)	25,984	**12,022**
Distribution of 2022 profit		—	—	—	(297,058)	297,058	—	**—**
Treasury shares	Note 14.a	—	7,163	—	(1,946)	—	—	**5,217**
Changes in the consolidation scope	Note 2.i	—	—	—	15,539	—	168,612	**184,151**
Final dividend	Note 14.d	—	—	(40,290)	—	—	(1,937)	**(42,227)**
Issuance and repurchase of bonds	Note 15	—	—	—	(259,259)	—	—	**(259,259)**
Capital increase and other equity contributions	Note 14.a	—	—	—	—	—	56,350	**56,350**
Employee remuneration payable in shares	Note 19.b	—	—	—	7,705	—	—	**7,705**
Other		—	—	—	(899)	—	(5,667)	**(6,566)**
At 31 December 2023		**176,619**	**(40,456)**	**15,482,472**	**(1,384,657)**	**(297,220)**	**1,210,035**	**15,146,793**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the statement of changes in the consolidated equity corresponding to the year ended 31 December 2023.

(*) Restated figures. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended on 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Profit/(loss) for the year before tax		**(436,412)**	**(502,882)**
Adjustments to profit			
Depreciation, amortisation and results from disposals of fixed assets	Note 20.e	2,552,635	2,320,694
Changes in provisions		3,894	15,269
Interest and other income		(76,445)	(22,519)
Interest and other expenses		884,294	751,478
Share of results of companies accounted for using the equity method	Note 10	2,635	4,239
Other income and expenses		56,228	3,442
Changes in current assets/current liabilities			
Inventories		(1,817)	(1,291)
Trade and other receivables		3,146	34,169
Other current assets and liabilities		17,027	(49,681)
Cash flows generated by operations			
Interest paid		(751,956)	(626,125)
Interest received		42,408	20,702
Income tax received/(paid)	Note 18	(180,594)	(88,586)
Non-recurring Income tax paid	Note 18	—	(7,342)
Current provisions, employee benefit obligations and others		(47,268)	(22,425)
Total net cash flow from operating activities (I)		**2,067,775**	**1,829,142**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Business combinations and changes in the scope of consolidation	Notes 2.h and 6	14,933	(3,390,169)
Purchases of property, plant and equipment and intangible assets	Notes 8 and 9	(2,193,778)	(2,568,516)
Payments for financial investments and associates	Note 10	(55,705)	(157,827)
Collections for financial investments and associates	Note 10	11,507	56,388
Proceeds from Non-current assets held for sale	Note 7	630,749	110,448
Total net cash flow from investing activities (II)		**(1,592,294)**	**(5,949,676)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	Note 14	(239,999)	(322,917)
Proceeds from issue of bank borrowings	Note 15	2,974,773	2,047,334
Bond issue	Note 15	923,902	982,525
Repayment and redemption of bond issues and other loans	Note 15	(747,146)	(600,000)
Repayment and redemption of bank borrowings	Note 15	(2,473,622)	(288,137)
Net repayment of other borrowings	Note 15	9,416	1,957
Net payment of lease liabilities	Note 16	(650,972)	(597,046)
Dividends to non-controlling interests		(1,937)	—
Total net cash flow from financing activities (III)		**(205,585)**	**1,223,716**
Foreign exchange differences (IV)		**(15,636)**	**8,419**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)+(IV)		**254,260**	**(2,888,399)**
Cash and cash equivalents at beginning of year	Note 13	1,038,179	3,926,578
Cash and cash equivalents at end of year	**Note 13**	**1,292,439**	**1,038,179**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

Cellnex Telecom, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for the year ended on 31 December 2023

1. General information

Cellnex Telecom, S.A., (hereinafter, the "Parent Company" or "Cellnex") was incorporated in Barcelona, Spain, on 25 June 2008. Its registered office is at Calle Juan Esplandiú nº 11 in Madrid, Spain. On 1 April 2015, it changed its name to Cellnex Telecom, S.A. The name of the Parent Company has not changed in this financial year or in the previous one.

The Parent Company's corporate purpose, as set out in its bylaws, includes:

- The establishment and operation of all kinds of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, for its own benefit or for the benefit of third parties, of all types of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of such installations and services under any type of contractual arrangement allowed by law, especially administrative concessions.

The Parent Company may undertake these activities directly or indirectly through the ownership of shares or equity investments in companies with a similar corporate purpose or in any other manner allowed by law.

The main location in which the group operates is Europe.

Cellnex Telecom, S.A. is the parent of a group of companies engaged in the management of terrestrial telecommunications infrastructures (hereinafter, the "Group" or "Cellnex Group").

2. Basis of presentation

a) Basis of presentation

The Consolidated Financial Statements of Cellnex Telecom, S.A. and Subsidiaries for the year ended on 31 December 2023, which have been based on the accounting records kept by the Parent Company and by the other companies that make up the Group, were authorised for issue by the Directors of the Parent Company at the meeting of the Board of Directors held on 29 February 2024.

These Consolidated Financial Statements have been prepared in accordance with the regulatory financial reporting framework applicable to the Group which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter, "EU-IFRS") and taking into consideration all of the accounting principles and standards and the valuation criteria that must be applied, as well as the Commercial Code, the Spanish Limited Liability Companies Act and other applicable commercial legislation, so that they show a true image of the equity and financial condition of the Cellnex Group at 31 December 2023 and the results of its operations, the changes in net equity and the consolidated cash flows that have occurred within the Group during the financial year ended on that date.

Given that the accounting principles and valuation criteria applied when preparing the Group's Consolidated Financial Statements at 31 December 2023 may differ from those used by some of the companies within the Group, the adjustments and reclassifications needed to standardise the principles and criteria, and adapt them to the EU-IFRS, have been carried out as part of the consolidation process.

The Consolidated Financial Statements of Cellnex Telecom, S.A., as well as its stand-alone financial statements and the financial statements of the companies forming part of the Group will be submitted for its approval to their respective General Meetings of Shareholders/Partners or Sole Shareholder/Sole Partner within the legally established deadlines. The Directors of the Parent Company consider that these financial statements will be approved without any significant changes.

Moreover, the Group's Consolidated Financial Statements corresponding to the financial year ended on 31 December 2022 were approved by the shareholders of the Parent Company on 1 June 2023.

b) Adoption of IFRSs

The Cellnex Group's Consolidated Financial Statements are presented in accordance with EU-IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to prepare Consolidated Financial Statements in accordance with EU-IFRSs is also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on tax, administrative, labour and social security measures.

The principal accounting policies and measurement bases adopted by the Group are presented in Note 3.

(I) Standards and interpretations effective during the present year

The following new accounting standards, amendments and interpretations came into force in 2023:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRS 17 - Insurance contracts and their modifications (published in May 2017 and June 2020, respectively)	It replaces IFRS 4 and includes the principles of registration, valuation, presentation, and breakdown of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that the contracts of insurance they have in the financial statements.	1 January 2023
Amendments to IAS 1 - Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications of the definition of a change in accounting estimate.	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications on how entities should recognise deferred taxes arising in transactions such as leases and obligations in relation to the dismantling assets.	1 January 2023
Amendments to IFRS 17 - Insurance contracts - Initial application of IFRS 17 and IFRS 9. Comparative information (issued in December 2021)	Amendments of the requirements for transition of IFRS 17 for the insurance companies compliant with IFRS 17 and IFRS 9 for the first time at the same time.	1 January 2023
IAS 12 - International Tax Reform - Pillar Two Model Rules (published in May 2023)	Introduces a mandatory exception from accounting for deferred taxes arising from the application of Pillar Two as well as certain disclosures on Pillar Two potential impacts for the reporting entity.	1 January 2023

The Group has applied the aforementioned standards and interpretations since their entry into force, which has not given rise to any significant change in its accounting policies.

As a large multinational group, Cellnex Group is subject to the Pillar Two base erosion model rules (also known as the GloBE Rules) approved by the Organization for Cooperation and Development’s Inclusive Framework. Economic (OECD)/G20 on BEPS (Base Erosion and Profit Shifting) on December 14, 2021 to which, among many others, the Member States of the European Union joined. In this regards and respect to the amendments to IAS 12 in connection with the potential impacts of Pillar Two, which have been applied by the Group, given the jurisdictions and current effective tax rates at which the Group is taxed, calculated on a simplified manner, this is, without taking into consideration all the specific requirements of the Pillar Two legislation, Group management does not expect a significant impact. The Group is currently working on assessing Pillar Two impacts considering all its requirements as well as on the design and implementation of the corresponding policies and procedures that might result necessary (see Note 18).

(II) Standards and interpretations issued but not yet in force

At the date of formal preparation of these Consolidated Financial Statements, the following standards, amendments and interpretations had been published by the International Accounting Standards Board (IASB) but had not come into force, either because their effective date is subsequent to the date of the Consolidated Financial Statements or because they had not yet been adopted by the European Union.

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
Amendments to IFRS 16 - Lease liability in a sale and leaseback (published in September 2022)	These amendments define how to present the lease liabilities that arise in the sale transactions and subsequent leasehold.	1 January 2024
Not yet approved for use in the European Union		
Amendment to IAS 1 - Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants (published in October 2022)	Its objective is to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions ("covenants") within twelve months following the reporting year.	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (published in May 2023)	Introduces disclosures on supplier financing arrangements and their effects on a company's liabilities, cash flows and liquidity risk exposure.	1 January 2024
Amendments to IAS 21 - Lack of exchangeability (published in August 2023)	Provides guidance on the determination of whether a currency is interchangeable with another currency and the spot exchange rate to use when it is not.	1 January 2025

The application of new standards, amendments and interpretations will be considered by the Group once they have been ratified and adopted, as the case may be, by the European Union. In any case, the Parent Company's Directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's Consolidated Financial Statements.

c) Presentation currency of the Group

These Consolidated Financial Statements are presented in euros, as this is the currency of the main economic area in which the Group operates. In relation to financial information of foreign companies whose functional currency is different from the presentation currency of the Consolidated Financial Statements are translated to euros using the method described in Note 2.g VII.

d) Responsibility for the information provided and accounting estimates and judgements made

The preparation of the Consolidated Financial Statements under IFRS requires certain accounting estimates to be made and certain elements of judgement to be considered by the Board of Directors of the Parent Company. These are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events, which are considered reasonable under the circumstances. Although the estimates considered have been made with the best information available as of the date of preparing these Consolidated Financial Statements, in accordance with IAS 8, any future amendment to these estimates would be applied prospectively as of that moment, acknowledging the effect of the change on the estimate made in the consolidated income statement for the financial year in question.

The main estimates and judgements considered in preparing the Consolidated Financial Statements are as follows:

a) Useful lives of property, plant and equipment (see Note 3.a).

The determination of useful lives of property, plant and equipment requires estimates of the assets' level of use and of expected technological changes. Assumptions regarding the level of use, technological framework and their future development, based on which the useful lives are determined, entail a significant degree of judgment, since the time and nature of future events are difficult to foresee.

b) Useful lives of intangible assets (see Note 3.b).

The intangible assets associated with the telecom infrastructures are amortised over the shorter of the term of the corresponding ground lease (taking into consideration renewals) or up to 20 years, as the Group considers these intangibles to be directly related to the infrastructure assets.

c) Lease term and useful lives of right-of-use assets (see Note 3.k).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

d) The measurement of non-financial assets and goodwill in order to determine the existence of impairment losses on these assets (see Notes 3.b and 3.c).

The determination of impairment losses requires the use of estimates on the recoverable amount based on impairment tests. The estimated recoverable amount for non-financial assets and goodwill is based mainly on impairment tests performed using discounted cash flows.

e) Derivatives or other financial instruments (see Notes 3.d, 3.e, 11 and 15).

The fair value of financial instruments traded on official markets is based on the market prices at the consolidated balance sheet date. The quoted market price used for financial assets is the current bid price.

The fair value of the financial instruments not quoted on active markets is determined using valuation techniques. The Group uses various methods and makes assumptions based on the existing market conditions at each consolidated balance sheet date. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate swaps is calculated as the present value of the estimated cash flows.

The carrying amount, less the provision for impairment losses on accounts receivable and payable, is similar to their fair value.

The fair value of financial liabilities, for the purposes of presenting financial information, is estimated by discounting future contractual cash flows at the current market interest rate the Group would have access to for similar financial instruments.

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. In this sense, the Group determines the classification of its financial assets at initial recognition.

f) Business combinations and fair value of the acquired assets and liabilities (see Note 6).

As a first step, Cellnex carries out a review of the acquisitions made to determine if they correspond to a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets. In the case of a business combinations, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

g) Provisions for staff obligations (see Notes 3.g and 19.b).

The calculation of pension expenses, other post-retirement expenses or other post-retirement liabilities requires the application of several assumptions. At the end of each financial year, the Group estimates the provision needed to meet the commitments for pensions and similar obligations, in accordance with the advice of independent actuaries. Changes affecting these assumptions may result in different amounts for the expenses and liabilities recorded. The most significant assumptions for measuring pension and post-retirement benefits liabilities are retirement age, inflation and the discount rate used. The assumptions about social security coverage are also essential for determining other post-retirement benefits. Any future changes to these assumptions would have an impact on the future pension expenses and liabilities.

h) Deferred tax assets and income tax (see Note 18).

The calculation of the income tax expense requires the interpretation of tax legislation in the jurisdictions where the Group operates. The determination of expected outcomes with regards to outstanding disputes and litigation requires significant estimates and judgements to be made. The Group assesses the recoverability of deferred tax assets based on the estimates of future taxable income and the ability to generate sufficient income during the periods in which these deferred taxes are deductible.

i) Provisions: the probability of occurrence and the amount of the undetermined contingent liabilities (see Notes 3.h and 19).

The Group makes an estimate of the amounts to be settled in the future, including those corresponding to contractual obligations and outstanding litigation. These estimations are subject to interpretations of the current facts and circumstances, forecasts of future events and estimates of the financial effects of these events.

The Consolidated Financial Statements have been prepared on the historical cost basis, except in the cases specifically mentioned in these Notes, such as the items measured at fair value, as described in Notes 3.d and 3.e.

Brexit

In general terms, the long term effects of the United Kingdom's decision to leave the EU, which became effective on 31 January 2020, ("Brexit") on the financial statements as a whole are still uncertain. In this regard, the increase in public debt, the fall in growth rates and any monetary policy measure that might be adopted in the future in the credit markets could affect the Group's businesses. One change in any of these factors could affect the Group's ability to access the capital markets and the terms and conditions under which it might access them.

In this context, it should also be noted that the nature of the Group's business means that in each territory it acts, to all extents and purposes, autonomously of other subsidiaries or the parent, in the sense that interterritorial commercial operations are not a key aspect of the business. In this connection, any risk associated with competition restrictions or disadvantages arising from potential transactions between the United Kingdom and other geographies is limited.

Geopolitical environment and macroeconomic conditions

Adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the large-scale events, mainly result from the remaining impact of the COVID-19 pandemic, the heightened geopolitical tensions following Russia's invasion of Ukraine or the ongoing military conflict in the Middle East which have exacerbated inflationary pressures, slowed overall economic growth, created supply chain bottlenecks and increased volatility in commodity and financial markets.

Following Russian invasion of Ukraine that started on 24 February 2022, economies around the world, including the United States, the European Union and the United Kingdom, announced the imposition of comprehensive trade sanctions targeting Russian individuals, companies and institutions. Such sanctions, as well as the countersanctions imposed by Russia, have resulted in a significant reduction in trading volumes between these economies and Russia, which has led to increased commodity prices on global markets.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates). Large-scale events have not had a significant effect on the Group's results for the period ended as of 31 December 2023 and, additionally, the Group has considered the uncertainty caused by the current situation and, as a conclusion, to date they have not affected the estimates that were being made and, consequently, they have not affected the book value of the assets (especially considering 2023 impairment test headroom as described in Notes 8 and 9) and liabilities as well as certain financial risks (see Note 15). The evolution of the large-scale events will depend on future developments, which are highly uncertain and cannot be predicted, including the economic conditions, among others.

Despite a long period of historically low inflation, above mentioned events make inflation increase worldwide during 2022 and 2023, with food, energy and petrol prices hitting record highs. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank that has raised interest rates, with a cumulative rise of 4.5 percentage points from July 2022 until September 2023. On the date of the accompanying Consolidated Financial Statements, there is no additional interest rates increase expected, because inflation has moderated its increase in the last months of 2023.

Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this regard, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation. This mismatch arises due to the relationship of the Group's Operating Income to inflation which is capped in certain of its contracts with anchor customers or has fixed terms escalators, whereas Opex and leases are generally uncapped, this requires strong Opex and lease control that is not always under the control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

On the other hand, the Group is exposed to interest rate risk through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt. As of 31 December 2023, 24% of the group's debt is not fixed which means can suffer the increase of the interest rates.

Others

The Consolidated Financial Statements have been prepared on the basis of uniformity in recognition and measurement. When a new standard amending existing measurement bases becomes applicable, it is applied in accordance with the transition criterion provided in the standard.

Certain amounts in the consolidated income statement and the consolidated balance sheet were grouped together for the sake of clarity. These items are disclosed in the Notes to the Consolidated Financial Statements.

The distinction presented in the consolidated balance sheet between current and non-current items was made based on whether they fall due within one year or more, respectively.

In addition, the Consolidated Financial Statements include all additional information considered necessary for their correct presentation under the company law in force in Spain.

Finally, the figures contained in all the financial statements forming part of the Consolidated Financial Statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes to net equity, consolidated statement of cash flows) and the Notes to the Consolidated Financial Statements are expressed in thousands of euros (or otherwise expressed).

e) Comparative information

As required by the IFRS, the information relating to the financial year ended on 31 December 2022 contained in these Consolidated Financial Statements for 2023 is submitted solely and exclusively for the purpose of comparison.

The consolidated balance sheet (and its respective disclosures) and the consolidated statement of changes in net equity for the year ended 31 December 2022 (included in these Consolidated Financial Statements) were restated (with regard to the information contained in the Group's Consolidated Financial Statements at 31 December 2022) as a result of the final purchase price allocation for the CK Hutchison Transaction in respect of the United Kingdom (see Notes 5 and 6).

f) Materiality

In deciding what information to disclose in the Notes on the various items of the Consolidated Financial Statements or other matters, the Group assessed materiality in relation to these Consolidated Financial Statements for 2023.

g) Consolidation principles

(I) Methods of Consolidation

Subsidiaries

Subsidiaries are all companies in which the Group directly or indirectly controls the financial and operational policies, so that it exercises control over the investee company while maintaining the exposure or right to the variable results from the investment and the ability to use this control in order to influence the amount of these returns. This is generally accompanied by an ownership interest of more than the half of the voting rights.

Additionally, to assess if the Group controls another company, the following are considered: the power over the investee; exposure or rights to variable returns of the investment; and the ability to use this power over the investee to affect the amount of the investor's returns. The subsidiary companies are consolidated as from the date on which control is transferred to the Group and they are excluded from consolidation on the date in which the control ceases.

The Group consolidates subsidiaries using the full consolidation method. In this regard, Cellnex exercises effective control over the consolidated companies Nexloop France, S.A.S. ("Nexloop"), Cellnex Netherlands subgroup, Cellnex Switzerland subgroup, Adesal, S.A., Metrocall, S.A. ("Metrocall"), Cellnex France Infrastructure, S.A.S. ("Cellnex France Infrastructure") and Cellnex Nordics, S.L. ("Cellnex Nordics") since Cellnex exercises effective control, without considering, when applicable, any potential additional voting rights, over the consolidated companies as: i) Cellnex holds more than 50% ownership interest of the companies, ii) Cellnex, as majority shareholder, has the capacity to appoint a majority of the members of the Board of Directors of the companies, and iii) by virtue of the respective shareholders agreement entered into with respective minority shareholder/s of the companies, giving Cellnex the decision-making capacity over relevant activities of the companies and also the control over the returns of the investments. The rights granted to minority shareholder/s according to the respective agreements are protective rights and, consequently, does not allow the minority shareholder/s to have power over abovementioned companies since the rights granted are related to fundamental changes to the activities or only applicable in exceptional circumstances.

Finally, in accordance with the disclosure requirements set forth in IFRS 12, there are no significant restrictions on the use of assets and settlement of liabilities of the Group companies.

Appendix I to these Notes provides details on all the subsidiaries included in the scope of consolidation at 31 December 2023.

Associates

Associates are companies over which the Group exercises significant influence and with which it has a long-term relationship that fosters and influences its business even though it has a small representation in the management and control bodies. Along with this representation, the Group generally holds between 20% and 50% of the company's voting rights, unless it can be clearly demonstrated that such influence does not exist or unless the Group holds less than 20% of those rights and it can be clearly demonstrated that said influence does exist.

The investments in associates are recorded using the equity method and are initially recognised at cost. The investments of the Parent Company in associates include, as per IAS 28, goodwill (net of any accumulated impairment losses) identified in the acquisition, and are recognised under "Investments in associates" in the consolidated balance sheet. In this regard, in relation with investment in the associate company DIV (fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) the Group is applying IFRS 10:B94 "Equity Method as One-line Consolidation" to all investments made by this associate company and, when applicable, the investment consolidated within the Cellnex Group through the equity method.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the cost of the acquisition. Therefore, the Group interprets the cost of an investment in an associate acquired in stages to be the sum of the amounts paid at each acquisition plus the share of the profits and other changes in shareholders' equity less any impairment that may have arisen.

Thereafter, the Group's share of the profit (loss) and reserves of associates is recognised in the consolidated income statement and as consolidation reserves (other comprehensive income), respectively, with the value of the shareholding as the balancing entry in both cases. Dividends received and/or accrued after acquisitions are adjusted against the amount of the investment.

If the Group's share of the losses of an associate is equal to or greater than the value of its financial investment, including any other outstanding account receivable not guaranteed, further losses will not be recognised unless obligations have been incurred, guarantees have been furnished or payments have been made on behalf of the associate, which would entail the recognition of a financial liability.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

Appendix II to these Notes provides details on the associates included in the scope of consolidation using the equity method at 31 December 2023.

(II) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's Consolidated Financial Statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

In the context of Hutchison United Kingdom Acquisition (see Note 6), Cellnex entered into certain agreements (including, among others, the CK Hutchison EEBA, services agreement and advisory agreement) (the "CK Hutchison New Agreements") pursuant with, Hutchison irrevocably has transferred to On Tower UK the rights and obligations in relation to 7,324 sites (in relation to the passive infrastructure) currently managed by a joint operation, Mobile Broadband Network Limited (MBNL) between Hutchison and a third party (this joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party, in return for On Tower UK having undertaken Hutchison's obligations in relation to those sites. As a result of all the agreements taken as a whole, Cellnex occupies the same position as Hutchison had in MBNL in relation to the passive infrastructure and, consequently, the business combination recognises Cellnex's interest in MBNL as a joint operator. Finally, following the termination of this joint operation, which is expected to occur in 2031, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are subject to the CK Hutchison New Agreements will be transferred to the Group without any additional consideration. The specific sites, for which legal title will be transferred, will be determined at the termination of the joint operation.

(III) Standardisation of accounting reference periods and valuation

The reporting periods for all companies included in the scope of consolidation end on 31 December. For the purposes of the consolidation process, the respective financial statements prepared under IFRS principles were used. In accordance with current legislation, these companies present individual financial statements as set forth in the applicable standards.

The measurement bases applied by the Group companies are largely consistent. However, where necessary, adjustments were made to standardise the measurement bases and ensure that the accounting policies of the companies included in the scope of consolidation were uniform with the policies adopted by the Group.

(IV) Business combinations

The subsidiaries acquired by the Group are accounted for using the acquisition method in accordance with the revised IFRS 3, considering that they meet the "business" definition. Acquisition cost is the fair value of the assets acquired and the equity instruments issued, and of the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs that are directly attributable to the transaction are recognised directly in the consolidated income statement for the year in which the transaction takes place.

Cellnex only recognises as part of the application of the acquisition method the consideration transferred for the assets acquired and the liabilities assumed at the date on which the business combination becomes effective. The calculation of the consideration to be transferred to the seller and the valuation of the net assets acquired is based on fair values that only envisage the net assets in existence at the date of obtainment of control of the underlying business, and, when applicable, the service agreements entered into with the seller do not affect these values.

The consideration transferred is generally a fixed amount and it is not subject to variability or have any relationship with the service agreements, i.e., the agreements are on an arm's-length basis and, accordingly, Cellnex considers, when applicable, that there is no interaction between the amount of the consideration transferred in the business combinations and the future amounts agreed upon in the service agreements. In this sense, in general terms, the service agreements entered into with the seller are negotiated at terms and conditions that would be agreed upon with a third party with which no purchase and sale agreement for the related business has been entered into. Any possible breach of the obligations assumed in these agreements would not affect the consideration transferred in the business combination. Such agreements envisage, as part of the terms and conditions agreed upon, certain penalties in the event of breach by the parties. These penalties are in line with those that would be negotiated in an agreement in which the party providing the services were not the seller of the related business; i.e., the penalties attempt to compensate, in market terms, the damage that would arise in the event of a breach of the agreement.

The Group measures non-controlling interests at fair value, pursuant to IFRS 3.19. This fair value is calculated based on the proportion represented by the non-controlling interest of the fair value of the business acquired.

The excess over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the corresponding Cash-Generating Units (hereinafter, CGUs). The resulting goodwill is allocated to the various CGUs expected to benefit from the business combination's synergies, regardless of any other acquired assets and liabilities allocated to these CGUs or groups of CGUs.

As indicated in Note 2.g.I. goodwill relating to acquisitions of associates and multi-group companies is included as an increase in the value of the respective investment and is recognised in accordance with Note 3.b.ii.

The Group makes a provisional allocation of the purchase price for the business combination at the acquisition date; this initial assessment is reviewed, as appropriate, within 12 months from the date control is obtained.

Goodwill arising on consolidation is not systematically amortised and is subject to an annual impairment test, as indicated in Note 3.b.ii.

(V) Elimination of inter-company transactions

Inter-company transactions and balances are eliminated, as are unrealised gains vis-a-vis third parties on transactions between or among Group companies. Unrealised losses are also eliminated, unless there is evidence of an impairment loss on the transferred asset.

Gains and losses from transactions between the Group and its associates and multi-group companies are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and multi-group companies not related to the investor.

(VI) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the owners of the Group's equity. Therefore, in purchases of non-controlling interests, the difference between the consideration paid and the corresponding proportion of the carrying amount of the subsidiary's net assets is recognised with an impact on net equity. Likewise, gains or losses through the disposal of non-controlling interests are also recognised in the Group's net equity.

In the event that it ceases to have control or significant influence, the remaining investment is remeasured at its fair value, and any gain or loss relative to the previously recognised investment is recognised with an impact in the year's consolidated income statement. Additionally, any amount previously recognised in other comprehensive income with regards to this company is recorded as if the Group had directly sold all the related assets and liabilities. Should this occur, the amounts previously recognised under other comprehensive income would be reclassified to the consolidated income statement for the year. If the decrease in the investment in an associate does not imply a loss of significant influence, the proportional share previously recognised under other comprehensive income is reclassified to the consolidated income statement.

Finally, in relation with the right to sell granted to some minority shareholders that the Group has recorded a liability as a consequence of the terms set forth in paragraph 23 of IAS 32, the Groups criteria is recording the adjustments to the redemption liability directly in equity. This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

(VII) Translation of financial statements denominated in foreign currencies

The financial statements of the foreign companies, none of which operate in a hyperinflationary economy, presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the Consolidated Financial Statements (the euro), are translated to euros using the year-end exchange rate method, according to which:

- Equity is translated at the historical exchange rate.
- Items in the income statement are translated using the average exchange rate for the period as an approximation of the exchange rate at the transaction date.
- The other balance sheet items are translated at the year-end exchange rate.

As a result, exchange differences are included under "Reserves – Translation differences" in equity in the consolidated balance sheet.

(VIII) Other

Currency translation differences arising from the translation of a net investment in a foreign operation and from loans and other instruments in a currency other than euro designated as hedges of those investments are recognised in equity. When the investment is sold, any exchange differences are recognised in the consolidated income statement as part of the gain or loss on the sale.

Adjustments to goodwill and to fair value arising from the acquisition of a foreign operation are considered assets and liabilities of the foreign operation and are translated using the year-end exchange rate.

h) Changes in the scope of consolidation

Movements in 2023

Acquisitions, incorporations and divestments

The most significant changes in the scope of consolidation and in the companies included in it during the 2023 financial year were as follows:

Name of the company	Date	Company with direct shareholding and % acquired/diluted/divested		Consolidation method
Acquisitions/incorporations:				
On Tower Poland sp z.o.o.	30/06/2023	Cellnex Poland sp z.o.o	30%	Full
Cellnex Nordics, S.L.	03/11/2023	Cellnex Telecom, S.A.	100%	Full
Divestments:				
Cellnex Nordics, S.L.	30/11/2023	Cellnex Telecom, S.A.	49%	Full
Cellnex Sweden AB	30/11/2023	Cellnex Nordics, S.L.	49%	Full
On Tower Sweden, AB	30/11/2023	Cellnex Sweden	49%	Full
Cellnex Denmark ApS	30/11/2023	Cellnex Nordics, S.L.	49%	Full
On Tower Denmark ApS	30/11/2023	Cellnex Denmark	49%	Full
Cellnex Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Telecom, S.A.	0.57%	Full
Towerlink Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Breedlink BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Shere Masten BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Alticom BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
On Tower Netherlands subgroup	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Cignal Infrastructure Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
The Broadcast Group	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full

I) Acquisition of an additional stake in On Tower Poland

In the first half of 2023, Cellnex and Iliad Purple entered into an agreement pursuant to which Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower Poland sp. z o.o. ("On Tower Poland") from Iliad Purple, for an amount of approximately PLN 2,273 million (with a Euro value of EUR 512 million as of 30 June 2023, the date of completion), exclusive of taxes. Following this acquisition, Cellnex Poland held 100% of On Tower Poland as of 31 December 2023. Thus, the indirect stake that Cellnex held in On Tower Poland increased from 70% to 100% at 31 December 2023.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Incorporation of Cellnex Nordics

In the context of Stonepeak acquisition of the 49% interest in Cellnex's businesses in Sweden and Denmark, on 3 November 2023 Cellnex Nordics, S.L. ("Cellnex Nordics") has been incorporated through the non-monetary contribution made by Cellnex Telecom, S.A. consisting in the 100% of the shares of Cellnex Sweden AB and Cellnex Denmark ApS.

III) Dilution of the stake in Cellnex Netherlands subgroup

As detailed in Note 10, during 2023, after the entry of new partners into the share capital of Digital Infrastructure Vehicle I SCSp ("DIV"), Cellnex received contributions returns of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) for a total amount of EUR 12 million. Thus, Cellnex's initial investment in DIV was diluted by 1.52%, from 20.62% to 19.10%.

As a result of the above, at 31 December 2023, Cellnex's stake in the Cellnex Netherlands subgroup decreased by 0.57%, from 70.11% to 69.54% (see Note 14.f. of the accompanying Consolidated Financial Statements).

IV) Disposal of 49% stake in Sweden and Denmark to Stonepeak

On 29 September 2023, Cellnex Telecom SA agreed to sell to Stonepeak a 49% interest in its businesses in Sweden and Denmark through the sale of the 49% of the new incorporated company Cellnex Nordics, which in turn owns the 100% of Cellnex Sweden AB ("Cellnex Sweden") and Cellnex Denmark ApS ("Cellnex Denmark"), comprising around 4,600 towers, for a total consideration of approximately EUR 730 million. Of the total consideration, EUR 551 million have been already received in cash at completion, 30 November 2023, EUR 130 million are due in three years (EUR 100 million at its net present value), and an earn-out of up to approximately EUR 45 million is expected in 2026.

As a result of this transaction, Cellnex retains the 51% of the share capital of Cellnex Nordics and maintain the effective control over Cellnex Nordics and its subsidiaries, as it holds ownership interests of over 50% and by virtue of the shareholders' agreement entered into with Stonepeak, which gives Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas Stonepeak has certain protective rights.

Since the Group has not ceded control over the investee company the impact of the sale has been recognised as an equity transaction, recording a positive impact in reserves an amount of EUR 122 million as the difference between the selling price and the carrying amount of the interest sold (see Notes 14.c.ii and 14.c.iii), which is recognised in the caption "Reserves of consolidated companies" of the accompanying Consolidated Financial Statements.

As stated above, the sale purchase agreement includes a contingent price, earn-out, that could give rise to an additional collection by Cellnex amounting to up to EUR 45 million. This earn-out would be payable upon Cellnex execution of 3GIS call option in Sweden agreed with Hutchison (see Integrated Annual Report for the year ended on 31 December 2021). Given the fact that the exercise of the call option by Cellnex is assessed as highly probable given that it mainly depends on Cellnex decision, the contingent price has been recognised at completion and, consequently, an amount of EUR 43 million has been registered (EUR 35.8 million at its net present value) for the aforementioned asset in the Consolidated Financial Statements at 31 December 2023.

Finally, the signed shareholders' agreement includes a dividends policy and certain exit provisions upon the expiry of a given period of time, that are structured following customary characteristics (see Note 14.d).

Transactions between companies in the scope of consolidation

Furthermore, in 2023, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these Consolidated Financial Statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Liquidations:			
Cignal Infrastructure Portugal, SA		Liquidation of the company	21/12/2023
Contributions:			
Cellnex Telecom, S.A.	Cellnex Nordics, S.L.	Contribution in kind of Cellnex Sweden AB and Cellnex Denmark Aps shares and intercompany loans	03/11/2023
Mergers:			
Nextcell S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Nextcell S.r.L. (absorbed company).	01/11/2023
Retower S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Retower S.r.L. (absorbed company).	01/11/2023
Infratower Portugal, S.A.	OMTEL, Estructuras de Comunicaçoes, S.A.	Merger by absorption of OMTEL, Estructuras de Comunicaçoes, S.A. (absorbing company), with Infratower Portugal, S.A. (absorbed company).	04/12/2023
Hivory Portugal, S.A.	OMTEL, Estructuras de Comunicaçoes, S.A.	Merger by absorption of OMTEL, Estructuras de Comunicaçoes, S.A. (absorbing company), with Hivory Portugal, S.A. (absorbed company).	04/12/2023

Movements in 2022

Acquisitions, incorporations and divestments

The most significant changes in the scope of consolidation and in the companies included in it during the 2022 financial year were as follows:

Name of the company	Date	Company with direct shareholding and % acquired/diluted		Consolidation method
Acquisitions/incorporations:				
On Tower Poland sp z.o.o.	02/03/2022	Cellnex Poland sp z.o.o	10%	Full
On Tower France, S.A.S.	02/03/2022	Cellnex France Groupe, S.A.S.	30%	Full
Hivory Portugal, S.A.	31/03/2022	CLNX Portugal, S.A.	100%	Full
CK Hutchison Networks (UK) Limited	10/11/2022	Cellnex UK Limited	100%	Full
Divestments:				
Cellnex Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Telecom, S.A.	5%	Full
Towerlink Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Breedlink BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Shere Masten BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Alticom BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
On Tower Netherlands subgroup	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Cignal Infrastructure Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full

I) Acquisition of an additional stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement pursuant to which, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 10% interest in the share capital of On Tower Poland, for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion), exclusive of taxes. This price implied the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 31 December 2022. Thus, the indirect stake that Cellnex held in On Tower Poland increased from 60% to 70% as at 31 December 2022.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it was treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment was supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower France, S.A.S.

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into an agreement pursuant to which Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes (the price of this acquisition was very inflationary, affected by the performance of the underlying assets). Following this acquisition, Cellnex France Groupe held 100% of On Tower France as of 31 December 2022. Thus, the indirect stake that Cellnex held in On Tower France increased from 70% to 100% as at 31 December 2022. Additionally, at the same date, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into another agreement pursuant to which Cellnex enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed) (see Note 5 of the Consolidated Financial Statements ended as of 31 December 2019) until 2027, with an Enterprise Value of EUR 639 million.

Since the aforementioned transaction did not modify the controlling position in On Tower France, it was treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment was supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Acquisition of Hivory Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Notes 2.h and 6 of the 2021 Consolidated Financial Statements), in the second quarter of 2022, Cellnex acquired, (through its fully owned subsidiary CLNX Portugal) 100% of the share capital of Hivory Portugal S.A. ("Hivory Portugal"), another portfolio of 102 sites in Portugal. The transaction involved an estimated total consideration (Enterprise Value) of approximately EUR 70 million.

The transaction was completed in 2022 following the receipt of customary regulatory authorizations. Thus, Hivory Portugal was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022. The transaction was accounted for as an asset acquisition rather than as a business combination, as these assets and liabilities acquired are a residual vestige from a previous transaction accounted for as a Business Combination under IFRS 3 (see Note 6), where inputs and processes were identified, and a purchase price allocation exercised was performed.

IV) The Hutchison United Kingdom Acquisition

The CK Hutchison Holdings Transactions in respect of United Kingdom was completed in the last quarter of 2022, following satisfaction or waiver of all applicable conditions precedent, including in connection with customary anti-trust and foreign investment clearances (the "Hutchison United Kingdom Acquisition"). This business combination was structured through the contracts described in Note 6 and, as a result of the operation, as of 31 December 2022, the Group fully owned the CK Hutchison UK tower business unit comprising: i) 100% of the share capital of CK Hutchison Networks (UK) Limited ("Networks Co UK"), which owned 1,550 sites as well as the commitment of 1,225 additional sites that will be built and transferred to Cellnex and ii) the rights and obligations in relation to 7,324 of the sites (including any accompanying passive infrastructure) currently managed by a joint operation between Hutchison and a third party (such joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party (following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 sites but up to a maximum of 3,833 sites will be transferred to a member of the Group without cost for the Cellnex Group).

The total consideration upon closing by the Group under the CK Hutchison Agreements was partially paid in cash, EUR 2,312 millions, and the remaining consideration was satisfied by the issuance of 27,147,651 new Cellnex shares (see Note 14) and the transfer of 6,964,144 treasury shares (see Note 14) whose fair value amounted to an aggregate of EUR 1,237 million at the competition date. The Cellnex shares subscribed by Hutchison are subject to a 12-month lock-up on customary terms.

As a result of the aforementioned, the CK Hutchison UK tower business was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022.

V) Dilution of the stake in Cellnex Netherlands subgroup

As detailed in Note 10, during 2022, after the entry of new shareholders into the share capital of Digital Infrastructure Vehicle I SCSp ("DIV"), Cellnex received contributions returns of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) for a total amount of EUR 52 million. Thus, Cellnex's initial investment in DIV was diluted by 12.71%, from 33.33% to 20.62%.

As a result of the above, at 31 December 2022, Cellnex's stake in the Cellnex Netherlands subgroup decreased by 5%, from 75% to 70% (see Note 14.f of the accompanying Consolidated Financial Statements).

Transactions between companies in the scope of consolidation

Furthermore, in 2022, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these Consolidated Financial Statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Liquidations:			
Gestora del Espectro, S.L.		Liquidation of the company	08/03/2022
Mergers:			
CK Hutchison Italia, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with CK Hutchison Italia S.r.L. (absorbed company).	01/04/2022
Hivory II, S.A.S.	Cellnex France Groupe, S.A.S.	Merger by absorption of Cellnex France Groupe, S.A.S.. (absorbing company), with Hivory II, S.A.S. (absorbed company).	21/10/2022
Towerco, S.p.A.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Towerco, S.p.A. (absorbed company).	01/07/2022

Furthermore, in 2022, the subsidiary formerly called Herbert in Building Wireless Limited changed its name to Cellnex UK In-Bulding Solutions Limited and the subsidiary formerly called Network Co UK changed its name to Cignal Infrastructure UK Limited.

3. Accounting policies and measurement bases

The main accounting policies used when preparing the Consolidated Financial Statements, in accordance with those established by the International Financial Reporting Standards adopted by the European Union (EU-IFRS), as well as the interpretations in force when drawing up these Consolidated Financial Statements, that include an option permitted by IFRS or, as the case may be, on the basis of the specific nature of the industry in which the Group operates or of materiality, were as follows:

a) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses. Any grants related to assets reduce the cost of acquisition and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, over the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation is calculated systematically using the straight-line method over the useful life of the asset, according to the following useful lifes:

Asset	Useful life
Buildings and other constructions	7-50 years
Plant and machinery	3-17 years
Tooling	3-14 years
Other facilities	3-14 years
Furniture	5-10 years
Computer equipment	3-5 years
Other property, plant and equipment	4-13 years

The “Property, Plant and Equipment” also includes, when applicable, the net present value of cost for asset retirement obligation. This relates to the Group’s best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

b) Intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, useful life being evaluated on the basis of prudent estimates. Any grants related to assets reduce the cost of acquisition of the asset and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The depreciation is calculated systematically using the straight-line method over the useful life of the asset, according to the following useful lifes:

Asset	Useful life
Computer software	3-5 years
Concession intangible assets	Duration of the concession agreement
Customer network services contracts	Up to 20 years
Network location	Up to 20 years
Other intangible assets	10-40 years

I) Intangible assets for telecom infrastructure services

With reference to the acquisition of telecom infrastructures in a business combination, the price agreed upon in the commercial sale and purchase agreement refers to the acquisition of an asset with two components: the physical asset (tower and other equipment and fixtures) and an intangible asset ‘customer network service contracts and network location’ in order to be able to provide the service to mobile operators. In this context, this heading records the amounts paid in the business combinations that correspond to the fair value of the net assets acquired, mainly consisting of:

- Concession intangible assets

  Includes the contracts signed with mobile operators as well as the locations of the telecom infrastructures used, which are subject to administrative concession.

  The amount recognised represents the discounted cash flow that the site where the infrastructure is located will generate from the various operators. This asset is depreciated in the period over which the Group is able to obtain income from the network coverage area. In this case, the only intangible asset recorded by the Group corresponds to the business combination of the company TowerCo S.p.A. and it is amortised on a straight-line basis until 2038.

- Customer network services contracts and Network location

  "Customer network services contracts" relates to the customer base existing at the acquisition date due to the Group’s infrastructure service contracts with the anchor carrier and to the future returns expected to be generated because of the relationships with customers beyond the periods covered by the contracts.

  Additionally, "Network location", represents the incremental revenues and cashflows from additional infrastructure service agreements with carriers, not yet present at the date of acquisition and it is valued independently from the remaining intangible assets.

  Both intangible assets meets the recognition criteria: i) arise from contractual or other legal rights; regardless of whether those rights are transferable or separable from the entity or from other rights and obligations; or ii) be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability. Regarding “Network location”, the intangible assets met the separability criteria, given that the excess available capacity can be used to offer network access services to third parties and, additionally, under IFRS 3 (B33), an intangible asset that the acquirer would be able to sell, license or otherwise exchange for something else of value meets the separability criterion even if the acquirer does not intend to sell, license or otherwise exchange it.

  Finally, for the valuation of "Customer network services contracts" and "Network location" intangible assets, the Parent Company has used the Multi-Period Earnings methodology, according to the financial projections of the different businesses affected. This method considers the use of other assets in the generation of the projected cashflows of a specific asset in order to isolate the economic benefit generated by the intangible asset. The contribution of the other assets such as fixed assets, working capital, labour and other intangible assets to the total cash flows is estimated through charges for contributing assets. This adjustment is made to separate the value of the specific assets from the portion of the purchase price that has already been allocated to net tangible assets and other intangible assets used. Therefore, the value of intangible assets is the present value of cash flows after potentially attributable taxes, net of the return on the fair value attributable to the tangible and intangible assets.

Acquired "Customer network services contracts" and "Network location" intangibles are amortised over the shorter of the term of the corresponding ground lease taking into consideration lease renewals or up to 20 years, as the Parent Company considers these intangibles to be directly related to the infrastructure assets.

II) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the fair or market value of all the Group's or the company's identifiable net assets acquired at the acquisition date.

Given that goodwill is considered as an asset of the acquired company/group (except that generated prior to 1 January 2004), in the application of the IFRS 1 they were considered as assets of the acquiree and in the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2.g.VIII.

Any impairment of goodwill recognised separately (that of subsidiaries and joint ventures) is reviewed annually through an impairment test (or in intermediate periods if there are signs of impairment), to determine whether its value has declined to a level below the carrying amount, and any impairment loss is recognised in consolidated profit or loss for the year, as applicable (see Note 3.c). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill included in the carrying amount of the investment in associates is not tested separately. Rather, under IAS 36, whenever there is an indication that the investment may be impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of its goodwill.

c) Impairment losses on non-financial assets

The Group assesses, at each reporting date, whether there is an indication than an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required (in the case of goodwill), the Group estimates the asset's recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows that the asset is expected to generate are discounted to their present value using an interest rate that reflects the current time value of money and the risks specific to the assets.

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

In relation with right-of-use, from a purely conceptual perspective, since in general, right-of-use assets do not generate cash inflows that are largely independent of other assets, it is not possible to estimate the recoverable value of the asset at the individual level and therefore, they would be included in the book values of the cash generating units (CGUs) to which they belong in order to analyze their recoverability. Thus, the right-of-use asset would be included in the calculation of the value of the CGU, while the corresponding lease liability would not reduce the previous amount. It should be noted in this connection that the mentioned methodology must be approximately equivalent (in terms of calculating any possible impairment losses) to the methodology applied prior to the effective date of IFRS 16.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the consolidated income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the consolidated income statement for the year.

d) Investments and other financial assets (excluding derivative financial instruments)

Financial assets and financial liabilities (see Notes 11, 12 and 15) are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group determines the classification of its financial assets at initial recognition. At 31 December 2023 and 2022, financial assets were classified mainly, as financial assets at amortized cost and correspond, mainly, to "Trade and other receivables".

Above mentioned financial assets, are measured subsequently in their entirety at amortised cost applying the effective interest method.

The Group derecognises financial assets when they expire or the rights over the cash flows of the corresponding financial asset have been assigned and the risks and benefits inherent to their ownership have been substantially transferred, such as in the case of firm asset sales, non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and it recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferring group retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

At least at each reporting date, the Group determines whether there is any indication that an asset or group of assets is impaired, so that any impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their fair value. The Group estimates a provision for impairment in accordance with an expected loss model in financial assets valued at amortized cost, mainly trade receivables. The measurement of the expected credit losses is a function of: the probability of default, the loss given the default (i.e., the magnitude of the loss if there is a predetermined value) and the exposure at the predetermined value. The Group has made this estimate taking into consideration, among other aspects, the diversity of clients according to their type or segment, grouped by country or geography, as well as differentiating their sector or industry, choosing an appropriate credit spreads curve for each of them. financial assets, as well as an analysis of historical defaults of the Group.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, when available, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

e) Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether or not classified as hedges, were classified either at fair value (both initially and subsequently), using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date and adjusting for the bilateral credit risk in order to reflect both the Group's risk and the counterparty's risk.

All derivative financial instruments are recognised as assets or liabilities on the consolidated balance sheet at their fair value, with changes in fair value recognised in consolidated income statement for the year. However, with hedge accounting, the effective portion of the hedge (fair value hedges, cash flow hedges and hedges of a net investment in a foreign currency) is recognised in equity.

The fair value of the derivative financial instruments used for hedging purposes is set out in Note 11, and the change in the hedging reserve recognised in consolidated equity is set out in Note 14.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net accumulated gain or loss recognised in equity is transferred to net profit or loss for the year.

I) Fair value and valuation techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified into level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of those inputs for measuring fair value in its entirety, as described below:

- Level 1 - Inputs are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are based on quoted prices for similar assets or liabilities in active markets (not included in level 1), prices quoted for identical or similar assets or liabilities in markets that are not active, techniques based on valuation models for which all relevant inputs are observable in the market or can be corroborated by observable market data.
- Level 3 - In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

In order to adopt IFRS 13, the Group must adjust the valuation techniques it uses for obtaining the fair value of its derivatives. The Group includes an adjustment for bilateral credit risk in order to reflect both its own risk, as well as counterparty risk in the fair value of its derivatives.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Group and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market, when these exists.

In addition, in order to reflect the credit risk in the fair value the market standard of 40% is applied as a recovery rate, which relates to the CDS in relation to senior corporate debt.

As at 31 December 2023 and 2022 the Group had derivative financial instruments (see Note 11).

f) Financial liabilities and Equity

I) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

II) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Parents Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

III) Compound instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option by the issuer that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Parent Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to "Other equity". Where the conversion option remains unexercised at the maturity date of the convertible loan or bond, the balance recognised in equity will be transferred to "Other equity". No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan or bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

IV) Financial liabilities

Borrowings, debentures and similar liabilities are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, they are measured at amortised cost. Any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if significant, is recognised in the consolidated income statement over the term of the debt at the effective interest rate.

Borrowings with floating interest rates hedged with derivatives that change the interest rate from floating to fixed are measured at fair value of the hedged item. Changes in the borrowings are taken to income, thus offsetting the impact on profit and loss of the change in the derivative instrument's fair value. The borrowings with floating interest rates hedged with derivatives are not significant.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist. In the case of an exchange of debt instruments between the Group and a third party with substantially different terms, the Group derecognises the original financial liability and recognises the new financial liability. The difference between the carrying amount of the original liability and the consideration paid, including attributable transactions costs, is recognised in the consolidated income statement for the year.

g) Employee benefits

Under the respective collective bargaining agreements, different Group companies have the following obligations with their employees:

I) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee welfare instruments (which basically include employee pension plans and Group insurance policies), the Group makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised in the consolidated income statement for the year as the obligations arise.

Defined benefit obligations

Defined benefit obligations relate mainly to bonuses or payments for retirement from the company and temporary and/or life-time annuities.

With regard to these obligations, where the company assumes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected unit credit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included in the consolidated income statement, but presented in the consolidated statement of comprehensive income.

II) Other long-term benefits

Regarding other long-term employee benefits, relating mainly to length of service at the company, the liability recognised on the balance sheet coincides with the present value of the obligations at the reporting date as they do not include any plan assets.

The projected unit credit method is used to determine both the current value of the liabilities at the balance sheet date and the cost of the services provided in the current and prior years. The actuarial gains and losses that arise from changes in the actuarial assumptions are recognised, unlike the post-employment liabilities, in the year in which they occur on the consolidated income statement for the year.

III) Severance pay

Severance pay is given to employees as a result of the decision to terminate their work contract before the normal retirement age or when the employee voluntarily accepts to resign in exchange for such compensations. The Group recognises these benefits when it is demonstrably committed to terminate the employment of the employees in accordance with a formal detailed plan without the possibility of withdrawal or to provide severance pay. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to give its consent to the resignation of the employees when this has been requested by them.

IV) Obligations arising from plans for termination of employment

Provisions for obligations relating to plans for termination of employment of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed with the employees. In some cases, this may require actuarial valuations based on both demographic and financial assumptions.

V) Long Term Incentive Plan

Liabilities recognised in respect of Long Term Incentive Plan are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The amounts considered by the Group in relation to the Long-term Incentive Plans ("LTIP") which were formalised in 2020, 2021, 2022 and 2023 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below. These LTIPs are rolling which means that every year a new plan is set up for the next three years. Therefore, those LTIPs formalised in 2020, 2021, 2022 and 2023 will remunerate management in 2022, 2023, 2024 and 2025, respectively, after the approval of annual accounts by the Annual General Shareholders' Meeting which will take place in the first half of the corresponding year.

h) Provisions and contingencies

The main provisions of the Group as of 31 December 2023 and 2022 are as follows:

- Provision for asset retirement obligation: this relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date. Due to the uncertainties inherent to the estimations necessary for determining the amount of the provision, the actual expenses may differ from the amounts originally recognised on the basis of the estimates made.

- Provision in relation to completed business combinations: In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in relation with certain risks associated with the business acquired that have been assessed by the Group with the assistance of independent third party experts. For business combinations that involve the assumption of provisions for contingencies or other obligations, the provision are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. These provisions are subject to monitoring to assess the occurrence of the risk and, when applicable, its potential prescription and, consequently, proceed to its reversal.

i) Revenue recognition

The various activities that contribute to the Group's revenue from the rendering of services are organised and administered separately based on the nature of the services provided:

- Telecom Infrastructure Services: this is the Group's main segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by Mobile Network Operators ("MNOs"), other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, Engineering Services and housing of different clients of broadcasters). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

  The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

  Additionally the consolidated income statement for the year includes income from re-charging costs, for example energy, related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting infrastructure: this is the Group's second main segment by turnover. Corresponding to broadcasting services in Spain, where Cellnex is the only operator offering nationwide coverage of the digital terrestial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting and other services. Through the provision of broadcasting services in Spain, The Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart Services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart Infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

  In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the optical fiber network of the Generalitat de Catalunya.

When the Group enters into an agreement with a customer, service deliverables under the contract are identified as separate performance obligations ("obligations") to the extent that the customer can benefit from the goods or services on their own and that the separate services are considered distinct from other services in the agreement. Where individual services do not meet the criteria to be identified as separate obligations they are aggregated with other services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts but might typically be separately identified for all above mentioned services. When in the signed agreements there is no identified price for each obligation, unusual in the Group, the transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations.

The revenue is recognised when the respective obligations in the contract are delivered to the customer and cash collection is probable, according to the following: i) the various services are provided through service agreements ("MSA") or lease agreements ("MLA"), for the infrastructure, in order to distribute the broadcasting or mobile signals, for a certain amount and for a certain length of time. The Group recognises revenue on a straight-line basis over the period in which the services are provided, and consequently, the obligation is satisfied, as established in the respective contracts. In this regard, inflation clauses tied to consumer price index ("CPI"), or other inflation-based indices, and other incentives included in the agreements with the Groups' tenants are excluded from the straight-line calculation. ii) when the Group carries out certain Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation, under IFRS 15, the costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognized as the capital expense is incurred. iii) in relation with re-charged costs to the customers, when the Group is the principal, receipts from customers and payments to suppliers are reported on a gross basis in revenue and operating costs.

Finally, according to the agreements with customers there are no significant differences between the time the performance obligations are satisfied and the usual time of payment and, consequently, there are no significant contractual liabilities at the reporting date.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends income from investments is recognised when the shareholders' right to receive payment has been established, e.g., when the shareholders' meetings of the investees approve the dividend payment.

j) Expense recognition

Expenses are recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets. The register of an expense should occur based on the actual flow of goods and services, irrespective of when the corresponding payments are made. Any payment that may be made for all of a service received during a given period of time will be considered a prepaid expense recognised on the asset side of the consolidated balance sheet under "Trade and other receivables" and will be taken to the consolidated income statement when the service is received by the Group.

Expenses are recorded immediately when a payment generates no future economic benefits or when it does not comply with the requirements to be registered as an asset.

An expense is also recorded when a liability is recorded and no corresponding asset is simultaneously recorded as would be the case for liabilities for guarantees.

k) Leases

a) The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, determined with the support of an independent expert. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.c.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss (see Note 20.c).

IFRS 16 allows a lessee not to separate non-lease components, therefore any lease and associated non-lease components can be accounted as a single arrangement.

b) The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its telecom infrastructures via Master Lease Agreements ("MLA") where required, however the Group also offers Master Service Agreements ("MSA") where appropriate. Cellnex provides to its customers in the Telecom Infrastructure Services access to the Group's telecom infrastructures for MNOs to co-locate their equipment on the Group's infrastructures.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 16 to allocate the consideration under the contract to each component.

l) Non-current assets held for sale

The Group classifies non-current assets as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the statement of financial position as "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". In accordance with IFRS 5 - "Non-current assets held for sale and discontinued operations", property, plant and equipment and right-of-use assets are no longer depreciated (or amortised), but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continue to be recognized.

The criteria for held for sale classification is regarded as met only when the Group determines the sale to be highly probable: management is committed to a decision to sell, and all actions required to complete the sale indicate that it is unlikely that significant changes to the sale will be made or that the decision will be withdrawn. In addition, the asset or disposal group is available for immediate sale in its present condition (subject only to terms that are usual and customary for such transactions) and the sale is expected to be completed within one year from the date of the classification.

4. Financial and capital risk management

a) Financial risk factors

The Group's activities are exposed to various financial risks, the most significant of which are foreign currency risk, interest rate risk, credit risk, liquidity risk, inflation risk and risks related to Group Indebtedness. The Group can use derivatives and other protection mechanisms to hedge certain interest rate and foreign currency risks.

Financial risk management is controlled by the Corporate Finance and Treasury Department following the established delegation powers, as part of the respective policies adopted by the Board of Directors.

I) Foreign currency risk

As the Group reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk, considering that the Group is a long term investor in the above mentioned currencies and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, based on, inter alia, the depth of the market for local currency finance and hedging and its corresponding cost. These strategies could eventually allow the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in converting into euro agreements denominated in Pound sterling, Swiss francs, Danish krone, Swedish krone and the Polish Zloty may have negative consequences to the Group, affecting its overall business, prospects, financial condition, results of operations and/or cash flow generation.

In relation to foreign currency risk, the contributions to the main aggregates of the consolidated income statement of the Group by companies operating in a functional currency other than the euro were as follows:

31 December 2023

Company		Thousands of Euros	
	Functional currency	Income	%
Cellnex UK subgroup	GBP	659,293	16%
Cellnex Switzerland subgroup	CHF	165,808	4%
Cellnex Sweden subgroup	SEK	60,406	1%
Cellnex Denmark subgroup	DKK	38,382	1%
Cellnex Poland subgroup	PLN	484,629	12%
Contribution in foreign currency		**1,408,518**	**35%**
Total Cellnex Group		**4,049,223**	

31 December 2022

Company		Thousands of Euros	
	Functional currency	Income	%
Cellnex UK subgroup	GBP	386,203	11%
Cellnex Switzerland subgroup	CHF	157,520	5%
Cellnex Sweden subgroup	SEK	55,919	2%
Cellnex Denmark subgroup	DKK	36,166	1%
Cellnex Poland subgroup	PLN	412,578	12%
Contribution in foreign currency		**1,048,386**	**30%**
Total Cellnex Group		**3,495,180**	

The contribution to the main aggregates of the consolidated balance sheet of the Group by companies operating in a functional currency other than the euro was as follows:

31 December 2023

Company	Functional currency	Total assets	%	Equity	%
					Thousands of Euros
Cellnex UK subgroup	GBP	7,721,683	17%	3,815,636	25%
Cellnex Switzerland subgroup	CHF	2,011,366	5%	686,754	5%
Cellnex Denmark subgroup	DKK	600,023	1%	379,313	3%
Cellnex Sweden subgroup	SEK	874,912	2%	731,275	5%
Cellnex Poland subgroup	PLN	4,151,206	9%	3,035,793	20%
Contribution in foreign currency		**15,359,190**	**35%**	**8,648,771**	**57%**
Total Cellnex Group		**44,365,244**		**15,146,793**	

31 December 2022 restated

Company	Functional currency	Total assets	%	Equity	%
					Thousands of Euros
Cellnex UK subgroup	GBP	7,645,165	17%	3,837,174	25%
Cellnex Switzerland subgroup	CHF	1,950,681	4%	679,993	4%
Cellnex Denmark subgroup	DKK	613,293	1%	334,760	2%
Cellnex Sweden subgroup	SEK	878,345	2%	558,191	4%
Cellnex Poland subgroup	PLN	3,780,548	9%	2,818,571	19%
Contribution in foreign currency		**14,868,032**	**34%**	**8,228,689**	**54%**
Total Cellnex Group		**43,996,432**		**15,189,400**	

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% depreciation in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at year-end is as follows:

		Thousands of Euros
		2023
Functional currency	Income	Equity [1]
10% change:		
GBP	(59,936)	(346,876)
CHF	(15,073)	(62,432)
DKK	(3,489)	(34,483)
SEK	(5,491)	(66,480)
PLN	(44,057)	(275,981)

[1] Impact on equity from translation differences arising in the consolidation process.

		Thousands of Euros
		2022 restated
Functional currency	Income	Equity [1]
10% change:		
GBP	(35,109)	(348,834)
CHF	(14,320)	(61,818)
DKK	(3,288)	(30,432)
SEK	(5,084)	(50,744)
PLN	(37,507)	(256,234)

[1] Impact on equity from translation differences arising in the consolidation process.

II) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying Consolidated Financial Statements).

As at 31 December 2023 and 2022 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying Consolidated Financial Statements).

III) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To partially mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity c. EUR 4.6 billion, considering cash, available credit lines and other financial assets, as at 31 December 2023, and has no difficulties in meeting immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

V) Inflation risk

Despite a long period of historically low inflation, inflation is on the increase worldwide during 2023 and 2022, with food, energy and petrol prices hitting record highs. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank that has raised interest rates, with a cumulative rise of 4.5 percentage points from July 2022 until September 2023. On the date of these Consolidated Financial Statements, there is no additional interest rates increase expected, because inflation has moderated its increase in the last months of 2023.

Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this sense, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current high inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation.

This mismatch arises due to the relationship of the Group's Operating Income to inflation which is capped in certain of its contracts with anchor customers or has fixed terms escalators, whereas Opex and leases are generally uncapped, this requires strong Opex and lease control that is not always under the control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

VI) Risks related to Group Indebtedness

The Group's present indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group's future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group's control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group's financing contracts such as limitations on the incurrent of additional debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group's credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

As mitigation of the above-mentioned risk, the Group has taken, inter alia, the following actions: (i) signing long-term Revolving Credit Facilities, by which, banks commit to make funds available immediately to the Group for any potential cash needs, and (ii) entering into new capital markets such as the entry into the American market in 2021 (iii) divestments, as the one executed in Cellnex Nordics. Finally, the Group publicly announced its commitment to reduce the leverage and maintain it consistently below a certain level, with the objective to become Investment Grade by Standard & Poors as well as maintaining the current Investment Grade by Fitch. Additionally, in relation with the excess of current liabilities versus current assets the risk in mitigated mainly with the Group's cash flow generation capacity but also with the aforementioned actions.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 76% of its debt at fixed rate. Thus, at 31 December 2023 and 2022 a change on the interest rates would not have a significant impact on the Consolidated Financial Statements. Please see estimated sensitivity analysis of the financial expenses in Note 15.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3.e.i. The breakdown at 31 December 2023 and 2022 of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2023

				Thousands of Euros
	Level 1	**Level 2**	**Level 3**	**2023**
Assets				
Derivative financial instruments:				
Cash flow hedges	—	83,535	—	83,535
Fair value hedges	—	2,687	—	2,687
Total derivative financial instruments	**—**	**86,222**	**—**	**86,222**
Derivatives not designated as hedges:				
Equity swap	—	14,943	—	14,943
Total derivative financial instruments not designated as hedges	**—**	**14,943**	**—**	**14,943**
Total assets	**—**	**101,165**	**—**	**101,165**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	—	3,007	—	3,007
Fair Value Hedge	—	15,915	—	15,915
Total derivative financial instruments	**—**	**18,922**	**—**	**18,922**
Derivatives not designated as hedges:				
Equity swap	—	986	—	986
Total derivative financial instruments not designated as hedges	**—**	**986**	**—**	**986**
Total liabilities	**—**	**19,908**	**—**	**19,908**

31 December 2022

				Thousands of Euros
	Level 1	**Level 2**	**Level 3**	**2022**
Assets				
Derivative financial instruments:				
Cash flow hedges	—	150,131		150,131
Hedges of a net investment in a foreign operation	—	11,392		**11,392**
Total derivative financial instruments	**—**	**161,523**	**—**	**161,523**
Total assets	**—**	**161,523**	**—**	**161,523**
Liabilities				
Derivative financial instruments:	—			
Fair Value Hedge	—	25,290	—	25,290
Total derivative financial instruments	**—**	**25,290**	**—**	**25,290**
Total liabilities	**—**	**25,290**	**—**	**25,290**

In 2023 and 2022 there were no transfers between Levels 1 and 2.

As indicated in Notes 3.d and 3.e, the fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Group employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date. In this regard, the fair value based on the aforementioned hierarchies of the bond issues and other loans, and loans and credit facilities at 31 December 2023 and 2022 is detailed in Note 15.

c) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern to deliver returns to its shareholders and to maintain an optimal capital structure and lower costs. In this regard, Group's management is continuously assessing different alternatives to maintain a flexible approach regarding the capital structure, these alternatives being issuing straight bonds, convertible bonds, reaching agreements with minority shareholders at the business unit level such as Cellnex Switzerland, Cellnex Netherlands, Nexloop, Metrocall, Cellnex France Infrastructure and Cellnex Nordics, or even executing a potential capital increase. In order to do so, the management of the Parent Company takes into consideration both market conditions and its capacity on delivering organic growth, leveraging on its neutral operator character.

The Group monitors capital using a leverage ratio along with other financial ratios (e.g. net debt as a multiple of EBITDA and RLFCF), in line with standard industry practice.

One leverage ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as given in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as given in the consolidated balance sheet, plus net debt.

The leverage ratios at 31 December 2023 and 2022 were as follows:

Thousands of Euros

	31 December 2023	31 December 2022 restated
Bank borrowings (Note 15)	4,391,837	3,838,178
Bonds issues (Note 15)	14,303,672	14,045,410
Lease liabilities (Note 16)	2,814,419	2,985,855
Cash and cash equivalents (Note 13.a)	(1,292,439)	(1,038,179)
Other financial assets (Note 13.b)	(115,581)	(93,242)
Net Financial Debt (1)	**20,101,908**	**19,738,022**
Net equity (Note 14)	15,146,793	15,189,400
Total capital (2)	**35,248,701**	**34,927,422**
Net Debt / Equity Ratio (1)/(2)	**57 %**	**57 %**

At 31 December 2023, Cellnex holds a long-term “BBB-” (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 7 February 2024 and a long-term “BB+” with positive outlook according to the international credit rating agency Standard & Poor’s Financial Services LLC as confirmed by a report issued on 29 November 2023. Cellnex published a new financial policy and an unconditional commitment to reduce leverage, in order to become Investment grade (BBB-) with Standard & Poor’s within two years and to maintain BBB- with Fitch.

5. Matters arising from the completion of the business combinations of the 2022 year end

The comparative financial information for 2022 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for the CK Hutchison Transaction in respect of the United Kingdom (see Note 6).

The reconciliation of the key figures of the Group's consolidated balance sheet and the consolidated statement of changes in net equity for the year ended 31 December 2022, obtained before and after the completion of the purchase price allocation for the acquisitions mentioned above, is shown below:

Consolidated balance sheet at 31 December 2022

Thousands of Euros

	31 December 2022 Approved	Impact of IFRS 3 (See Note 6)	31 December 2022 restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10,694,339	3,422	10,697,761
Goodwill	6,717,952	231,550	6,949,502
Other intangible assets	20,123,775	(424,068)	19,699,707
Right-of-use assets	3,437,710	(89,973)	3,347,737
Investments in associates	33,232	—	33,232
Financial investments	117,568	—	117,568
Derivative financial instruments	161,523	—	161,523
Trade and other receivables	75,259	—	75,259
Deferred tax assets	635,662	5,428	641,090
Total non-current assets	**41,997,020**	**(273,641)**	**41,723,379**
CURRENT ASSETS			
Inventories	4,770	1	4,771
Trade and other receivables	1,162,665	12,323	1,174,988
Receivables from associates	25	—	25
Financial investments	3,663	—	3,663
Derivative financial instruments	—	—	—
Cash and cash equivalents	1,038,179	—	1,038,179
Total current assets	**2,209,302**	**12,324**	**2,221,626**
Non-current assets held for sale	**51,427**	**—**	**51,427**
TOTAL ASSETS	**44,257,749**	**(261,317)**	**43,996,432**

Thousands of Euros

	31 December 2022 Approved	Impact of IFRS 3 (See Note 6)	31 December 2022 restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	176,619	—	176,619
Treasury shares	(47,619)	—	(47,619)
Share premium	15,522,762	—	15,522,762
Reserves	(1,133,599)	1,602	(1,131,997)
Profit for the year	(297,058)	—	(297,058)
	14,221,105	**1,602**	**14,222,707**
Non-controlling interests	966,693	—	966,693
Total net equity	**15,187,798**	**1,602**	**15,189,400**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	17,747,336	—	17,747,336
Lease liabilities	2,501,896	(92,192)	2,409,704
Derivative financial instruments	25,290	—	25,290
Provisions and other liabilities	2,014,396	4,317	2,018,713
Employee benefit obligations	51,727	—	51,727
Deferred tax liabilities	4,444,316	(176,181)	4,268,135
Total non-current liabilities	**26,784,961**	**(264,056)**	**26,520,905**
CURRENT LIABILITIES			
Bank borrowings and bond issues	143,352	—	143,352
Lease liabilities	583,594	(7,443)	576,151
Provisions and other liabilities	147,255	—	147,255
Employee benefit obligations	62,851	—	62,851
Payables to associates	710	—	710
Trade and other payables	1,325,414	8,580	1,333,994
Total current liabilities	**2,263,176**	**1,137**	**2,264,313**
Liabilities associated with non-current assets held for sale	**21,814**	**—**	**21,814**
TOTAL NET EQUITY AND LIABILITIES	**44,257,749**	**(261,317)**	**43,996,432**

Consolidated statement of changes in net equity for the year ended 31 December 2022

Thousands of Euros

Total Net Equity at 31/12/2022	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**176,619**	**(47,619)**	**15,522,762**	**(1,133,599)**	**(297,058)**	**966,693**	**15,187,798**
Impact of IFRS 3	—	—	—	1,602	—	—	1,602
Net Equity after IFRS 3 impact	**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**

Note: The amounts for the adjustments to equity are shown net of the related tax effects, if any, including the amounts both for fully consolidated companies as well as for those accounted for using the equity method, as applicable.

Finally, in relation with the effects in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows, as the differences between the provisional and the final purchase price allocation have been considered not material, taking into consideration that the aforementioned business combination was completed in November 2022, the comparative information regarding the 31 December 2022 has not been restated.

6. Business combinations

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other infrastructure operators and subsequently integrates those infrastructures into its existing network. The financial results of the Group's acquisitions have been included in the accompanying Consolidated Financial Statements for the period ended 31 December 2023 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognize the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements, the timing of the transfer of title or rights to the assets as well as the customary regulatory approvals, which may be accomplished in phases.

As a first step, Cellnex carries out a review of the acquisitions made to determine if they constitute a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets, irrespective of whether the acquisition takes place in the form of the purchase of a group of elements that constitutes a business, or through the purchase of the share capital of an entity.

In the case of a business combination, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

Given the complexity of the purchase price allocation process, the Group generally performs the latter with the participation of an independent third-party expert, and, in some cases, there is a reassessment of the allocation process during the period of one year since the business combination is completed, as permitted by IFRS 3. As in previous business combinations completed by the Group, the potential value of the sites is mainly derived from the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets) and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3.b.i, and provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. Additionally, as required by IFRS 3, IAS 12 and the other applicable standards, the deferred tax liabilities arising from the business combination were recognised as the differences between the carrying amount and the tax base calculated pursuant to the tax legislation in each jurisdiction of the respective operations. Finally, the goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases.

The main measurement assumptions and valuation techniques used in the purchase price allocation process in the context of a business combinations are as follows:

a. Property, plant and equipment are measured using the cost approach. This approach recognises that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce or replace it new. Utilization of the cost approach results in a concept referred to as Depreciated Replacement Cost New ("DRCN"), which is an indicator of fair value provided that all elements of depreciation and obsolescence are addressed. Property, plant and equipment was measured taking into account the technical data of each site and the estimate of the standard facilities and infrastructure associated with them, as applicable. The elements necessary for calculating fair value include, inter alia, the type of site, height, dismantling date and whether the item is indoors or outdoors.

b. Intangible assets, which are mostly Customer Network Services Contracts and Network Location intangibles, were measured using the Multi-Period Excess Earnings method. This is a technique used as part of the "Income Approach" and is similar to the discounted cash flow method, except that it also takes into account the use of other assets in the generation of the projected cash flows of a specific asset in order to isolate the economic benefit generated by the intangible asset in question. The contribution to the overall cash flows of other assets such as non-current assets, working capital, labour and other intangible assets is estimated by means of the capital expenditure relating to contributory assets. The assumptions taken into account for the measurement of the aforementioned intangible assets included, inter alia, the prior years' profit or loss of the acquired businesses with no loss of customers, the contractual terms and conditions agreed upon with the anchor customer of the acquired assets, comparative estimates with benchmark entities in the industry, future revenue projections based on business plans, costs based on the customer's contribution to revenue and discount rates in line with the estimates of the weighted average cost of capital assuming a risk margin. In this regard, the projected time spans used for the business combinations are longer than 20 years, but no terminal values representing perpetual cashflows are taken into account at the end of the projected period.

c. In the case of liabilities, the payables associated with working capital are generally measured at their nominal amount, which is generally considered to be a good approximation of fair value due to their nature and because the payables are settled at short term. For transactions that involve the assumption of provisions for contingencies or other obligations, the payables are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. The business combinations that include the assumption of financial liabilities were recognised at fair value, which was calculated taking into consideration a market participant yield at the measurement date.

As a result of the business combinations performed during the previous years, and following a prudent approach, the vast majority of the difference between the book value of the assets acquired and the purchase price paid has been assigned to assets subject to deprecation or amortization. Thus, the resulting goodwill corresponds in the vast majority to the net deferred tax recognized resulting from the higher fair value attributed to the net assets acquired in comparison with their tax bases. Furthermore, provision for other responsibilities captures mainly provisions for contingent liabilities (whose risk of cash outflow is no probable) made during the Purchase Price Allocation process which are a result of present obligations arising from past events, where the fair value can be reliably measured.

Business combinations for 2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

Business combinations for 2022

The initial accounting for the business combination involving the Hutchison United Kingdom Acquisition described in Note 6 of the Consolidated Financial Statements for the 2022 financial year, are now considered to have been completed, since one year has elapsed since its date of acquisition (in accordance with IFRS 3). Therefore, the Group modified the values used in the 31 December 2022 Consolidated Financial Statements, as further information became available, allowing it to carry out a more accurate evaluation of the purchase price allocation process (see Note 5).

Hutchison United Kingdom Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison United Kingdom Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	3,548,878
Fair value of the net assets acquired	2,498,225
Resulting goodwill	**1,050,653**

The review of the purchase price allocation of the Hutchison United Kingdom Acquisition gave rise to a EUR 233,435 thousand increase in goodwill following the recognition of a less revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 2,613,870 thousand (EUR 3,045,011 thousand in the 2022 Consolidated Financial Statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 445,831 thousand (EUR 442,307 thousand in the 2022 Consolidated Financial Statements). The review also gave rise to a decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Notes 3.k and 16, which ultimately amounted to EUR 65,283 thousand (EUR 157,531 thousand in the 2022 Consolidated Financial Statements), and EUR 55,554 thousand (EUR 157,964 thousand in the 2022 Consolidated Financial Statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison United Kingdom Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 9 November 2023 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison United Kingdom Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	2,613,870	—	2,613,870
Right-of-use-assets	65,283	13,538	51,745
Property, plant and equipment	445,831	229,702	216,129
Trade and other receivables long term	—	—	—
Trade and other receivables short term	1,732	1,732	—
Cash and cash equivalents	100,764	100,764	—
Lease liabilities long term	(36,116)	(12,390)	(23,726)
Provisions and other liabilities long term	(26,865)	(9,758)	(17,107)
Lease liabilities short term	(19,438)	—	(19,438)
Provisions and other liabilities short term	(8,580)	—	(8,580)
Trade and other payables	(8,503)	(8,503)	—
Net deferred tax assets / (liabilities)	(629,753)	994	(630,747)
Net assets acquired	**2,498,225**	**316,079**	**2,182,146**

Total acquisition price	3,548,878
Payment through Cellnex Telecom SA shares	(1,237,421)
Cash and cash equivalents	(100,764)
Cash outflow in the acquisition	**2,210,693**

7. Non-current assets held for sale

The breakdown of the Group non-current assets held for sale and their associated liabilities as of 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	31 December 2022
ASSETS		
Hivory Acquisition	123,199	51,427
Ireland	1,110,714	—
Private network business	28,279	—
Total	**1,262,192**	**51,427**

	31 December 2023	31 December 2022
LIABILITIES		
Hivory Acquisition	31,227	21,814
Ireland	258,617	—
Private network business	4,194	—
Total	**294,038**	**21,814**

Non-current assets held for sale in relation to the Hutchison United Kingdom Acquisition

In relation with the completion of the Hutchison United Kingdom Acquisition (see Note 6), on 3 March 2022, the United Kingdom Competition and Markets Authority ("CMA") approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by the Hutchison Group in the UK (the "Divestment Remedy").

During 2022, the sale was highly probable, as the management committed to a plan to sell and a buyer was actively being sought. In addition, the sites were already identified and actively marketed for sale at a price that was reasonable in relation to its current fair value. In this regard, during 2022, the Group considered that the requirements established in IFRS 5 were met to classify these assets and their associated liabilities as "Assets held for sale". Consequently, based on the IFRS 5 - "Non-current assets held for sale and discontinued operations", since 30 April 2022, the assets and liabilities related to these Divestment Remedies were presented as assets and liabilities of disposal groups held for sale. Additionally, according to IFRS 5, Cellnex did not depreciated (or amortised) any non-current assets classified as held for sale, but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continued to be recognised.

On 24 October 2022, Cellnex announced that it reached an agreement for the Divestment Remedy with UK telecommunications infrastructure operator Wireless Infrastructure Group ("WIG") in accordance with the Final Undertakings. The Divestment Remedy with WIG as well as the Hutchison United Kingdom Acquisition were completed in the last quarter of 2022 (see Note 6). The sites were transferred for an amount of approximately GBP 135 million, without significant impact in the 2022 consolidated income statement recognized in "Depreciation, amortisation and results from disposals of fixed assets" of the accompanying consolidated income statement (see Note 20.e). Thus, as of 31 December 2023 and 31 December 2022, the headings "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" on the consolidated balance sheet were not including the amounts related to the aforementioned Divestment Remedy.

Non-current assets held for sale in relation to the Hivory Acquisition

In order to fulfill Hivory Acquisition closing requirements established by the French Competition Authority ("FCA"), in the first quarter of 2022 the Group entered into: i) a business transfer agreement which set forth the terms and conditions under which Cellnex France would sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France for an expected amount of approximately EUR 690 million (EUR 600 million net of taxes); ii) a share purchase agreement which sets forth the terms and conditions under which Hivory would transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France for an expected amount of approximately EUR 275 million (EUR 235 million net of taxes). Both agreements are part of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 6 of the 2021 Consolidated Financial Statements).

The Divestment Remedy was structured as the sale of six lots of sites. A significant portion has been sold in 2023, with the first three lots, totalling 1,127 sites, sold by Cellnex France from April through August and the fourth, comprising of 1,226 sites, sold by Hivory in August. As a result, 2,353 sites have been transferred in 2023 for a total amount of approximately EUR 729 million. Of the total consideration of the sale completed, EUR 631 million have been already received at completion, July and August 2023, and EUR 100 million are due in 2024, 2025 and 2026 (EUR 89 million at its net present value). The accounting impact in the accompanying consolidated income statement amounted to EUR 80 million (net of tax effect) and it was recognized in “Depreciation, amortisation and results from disposals of fixed assets” and "Income tax" lines (see Note 20.e).

The fifth lot, consisting of 347 sites, is already identified, and actively marketed for sale at a price that is reasonable in relation to its current fair value. The process is progressing correctly, and the transaction is expected to be completed in the first half of 2024. In this regard, as of 31 December 2023, the Group considers that the requirements established in IFRS 5 have been met to classify this lot of assets and their associated liabilities as "held for sale" in the accompanying Consolidated Financial Statements. The assets and liabilities rising at the time of their new classification amounted to EUR 123 million and EUR 31 million, respectively. In accordance with IFRS 5.40, the above presentation requirements are applied only prospectively, without reclassification of comparative information. In relation to the remaining sixth lot, the sale is not definitive and could change, as both seller and buyer are carrying out due diligence processes to identify those sites. Consequently, the Group considers that as of 31 December 2023, the requirements established in IFRS 5 for the sixth lot have not been met yet in order to classify these assets and their associated non-current liabilities as "Non-current assets held for sale".

The main financial figures related to the non-current assets held for sale and the liabilities associated with non-current assets held for sale in relation to the Hivory Acquisition as of 31 December 2023 and 2022 are as follows:

Thousands of Euros

	31 December 2023	31 December 2022
NON-CURRENT ASSETS		
Property, plant and equipment	96,007	35,060
Right-of-use assets	27,192	16,367
Total non-current assets	**123,199**	**51,427**
TOTAL ASSETS	**123,199**	**51,427**
Non-current assets held for sale	**123,199**	**51,427**

	31 December 2023	31 December 2022
NON-CURRENT LIABILITIES		
Lease liabilities	31,227	20,286
Total non-current liabilities	**31,227**	**20,286**
CURRENT LIABILITIES		
Lease liabilities	—	1,528
Total current liabilities	**—**	**1,528**
TOTAL LIABILITIES	**31,227**	**21,814**
Liabilities associated with non-current assets held for sale	**31,227**	**21,814**

Non-current assets held for sale in relation to the disposal of the Group operations in Ireland

The Group is carrying out an asset portfolio assessment from an industrial perspective. As a result of such analysis the Group might decide to divest some of the existing assets or to find a partner, like it has been done in the Nordics, to accelerate growth. The uses will be dedicated to the repayment of debt with a short-term maturity and higher cost. As a result, a process to dispose of its operations in Ireland was started in the last quarter of 2023.

To the extent that as of 31 December 2023 (i) the assets are available for disposal at their condition at that date, (ii) the process to locate buyers at prices reasonable in relation to their fair value has already been initiated and authorized by Group management, and (iii), it is expected to complete the sale in 2024, the Group has classified these assets and their associated non-current liabilities as "Non-current assets held for sale" at 31 December 2023.

A breakdown of these assets and liabilities as of 31 December 2023 is as follows:

	Thousands of Euros
	31 December 2023
NON-CURRENT ASSETS	
Property, plant and equipment	209,594
Goodwill	281,336
Intangible assets	540,130
Trade and other receivables	1,100
Right-of-use assets	45,887
Total non-current assets	**1,078,047**
CURRENT ASSETS	
Trade and other receivables	32,514
Cash and equivalents of cash	153
Total current assets	**32,667**
TOTAL ASSETS	**1,110,714**
Non-current assets held for sale	**1,110,714**

	31 December 2023
NON-CURRENT LIABILITIES	
Bank borrowings and bond issues	89
Lease liabilities	24,773
Provisions and other liabilities	112,204
Deferred tax liabilities	72,849
Total non-current liabilities	**209,915**
CURRENT LIABILITIES	
Lease liabilities	10,750
Provisions and other liabilities	20,146
Employee benefit obligations	785
Trade and other payables	17,021
Total current liabilities	**48,702**
TOTAL LIABILITIES	**258,617**
Liabilities associated with non-current assets held for sale	**258,617**

In relation to the ongoing sale process, it is not expected that its outcome will have a significant impact on the Group's Consolidated financial statements.

Non-current assets held for sale in relation to the disposal of the private network business

On 10 November 2023, the Group reached an agreement with Boldyn Networks to sale its private networks business unit which largely includes Edzcom, a 100% owned subsidiary of the Group in Finland that specializes in connectivity solutions for private networks in industrial complexes and environments. The sale has been completed on 29 February 2024 for a total consideration amounting to approximately EUR 31 million.

To the extent that as of the date of the accompanying Consolidated Financial Statements the transaction has been completed, the Group classified these assets and their associated non-current liabilities as "Non-current assets held for sale" at 31 December 2023.

A breakdown of these assets and liabilities as of 31 December 2023 is as follows:

	Thousands of Euros
	31 December 2023
NON-CURRENT ASSETS	
Property, plant and equipment	1,179
Goodwill	7,527
Intangible assets	13,549
Trade and other receivables	26
Total non-current assets	**22,281**
CURRENT ASSETS	
Inventories	330
Trade and other receivables	5,639
Cash and cash equivalents	29
Total current assets	**5,998**
TOTAL ASSETS	**28,279**
Non-current assets held for sale	**28,279**

	31 December 2023
NON-CURRENT LIABILITIES	
Deferred tax liabilities	2,543
Total non-current liabilities	**2,543**
CURRENT LIABILITIES	
Trade and other payables	1,651
Total current liabilities	**1,651**
TOTAL LIABILITIES	**4,194**
Liabilities associated with non-current assets held for sale	**4,194**

8. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2023 and 2022 were as follows:

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2023 restated				
Cost	10,372,402	1,215,974	1,517,282	**13,105,658**
Accumulated depreciation	(1,853,189)	(554,708)	—	**(2,407,897)**
Carrying amount	**8,519,213**	**661,266**	**1,517,282**	**10,697,761**
Carrying amount at beginning of period	**8,519,213**	**661,266**	**1,517,282**	**10,697,761**
Changes in the consolidation scope (Note 6)	24,127	37	586	**24,750**
Additions	1,596,953	115,626	584,833	**2,297,412**
Disposals (net)	(5,085)	(11,454)	(19,822)	**(36,361)**
Transfers	754,071	26,941	(781,012)	**—**
Transfers to non-current assets held for sale (Note 7)	(603,660)	(9,172)	(8,412)	**(621,244)**
Foreign exchange differences	90,677	4,182	18,623	**113,482**
Depreciation charge	(777,607)	(31,318)	—	**(808,925)**
Carrying amount at close	**9,598,689**	**756,108**	**1,312,078**	**11,666,875**
At 31 December 2023				
Cost	12,218,326	1,353,293	1,312,078	**14,883,697**
Accumulated depreciation	(2,630,796)	(586,026)	—	**(3,216,822)**
Carrying amount	**9,587,530**	**767,267**	**1,312,078**	**11,666,875**

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2022				
Cost	8,231,776	1,104,526	723,648	**10,059,950**
Accumulated depreciation	(1,212,652)	(492,755)	—	**(1,705,407)**
Carrying amount	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Carrying amount at beginning of period	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Changes in the consolidation scope (Note 6)	388,021	1,470	127,475	**516,966**
Additions	1,527,232	154,433	991,229	**2,672,894**
Disposals (net)	(341)	(4,038)	(25,543)	**(29,922)**
Transfers	282,943	(24,626)	(258,317)	**—**
Transfers to non-current assets held for sale (Note 7)	(30,716)	(2,743)	(32,317)	**(65,776)**
Foreign exchange differences	(37,672)	(1,889)	(8,893)	**(48,454)**
Depreciation charge	(640,537)	(61,953)	—	**(702,490)**
Carrying amount at close	**8,508,054**	**672,425**	**1,517,282**	**10,697,761**
At 31 December 2022 restated				
Cost	10,361,243	1,227,133	1,517,282	**13,105,658**
Accumulated depreciation	(1,853,189)	(554,708)	—	**(2,407,897)**
Carrying amount	**8,508,054**	**672,425**	**1,517,282**	**10,697,761**

The carrying amount recognised under “Land and buildings” includes infrastructures acquired at the centres in which the Group has installed its telecommunications equipment (land, towers and buildings – prefabricated and civil works).

"Plant and machinery and other fixed assets" include mainly the telecommunications infrastructure network for broadcasting and others network services. It also includes all equipment necessary to ensure the operation of the technical equipment installed in any infrastructure (electrical and air conditioning).

"Property, plant and equipment under construction" includes the carrying amount of those items of property, plant and equipment acquired in the last days of the year that have still not been put into operation.

Changes in the scope of consolidation and business combinations

The movements in 2023 and 2022 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of:

2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

2022 restated

- Hivory Portugal Acquisition (EUR 70,296 thousand, see Note 2.h).
- Hutchison United Kingdom Acquisition (EUR 445,831 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

France

As of 31 December 2023, in accordance with the agreements reached with Bouygues Telecom during the period 2016 - 2020, Cellnex, through its subsidiaries Cellnex France, Towerlink France and Nexloop, has committed to acquire or for Bouygues Telecom to build, as applicable, up to approximately 5,300 sites that will be gradually transferred to Cellnex until 2030, of which 2,422 sites have been transferred to Cellnex as of 31 December 2023 (1,877 sites in 2022), as well as to the roll-out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,800 of which belong to and are operated by Cellnex) with the network of "metropolitan offices", "center offices" and "Mobile switching centers" for housing data processing centres (Edge Computing). During 2023, 545 sites were acquired (442 sites in 2022), 25 housing data processing centres and optic fibre network was deployed in relation to the aforementioned agreements, for an amount of approximately EUR 229 million, 53 million and 403 million, respectively (EUR 160 million,167 million and 277 million in 2022, respectively). Therefore, the total investment during 2023 and 2022, in relation to the agreements described above, amounted to approximately EUR 685 million and EUR 604 million, respectively.

Moreover, in accordance with the agreement reached with Free Mobile in 2019 (see Note 6 of the Consolidated Financial Statements ended as of 31 December 2020), Cellnex, through its subsidiary On Tower France, has committed to acquire or build for Free Mobile, as applicable, a minimum of 4,500 sites that will be gradually transferred to Cellnex until 2029, of which 3,240 sites have been transferred to Cellnex as of 31 December 2023 (2,721 sites in 2022). During 2023, 519 sites were acquired (870 sites in 2022) for a total amount of approximately EUR 133 million (EUR 213 million in 2022).

Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S (see agreements described in Note 6 of 2022 Consolidated Financial Statements), Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will be gradually transferred to Cellnex until 2030, of which 1,017 sites have been transferred as of 31 December 2023 (611 sites in 2022). During 2023, 406 sites were acquired (465 sites in 2022) for a total amount of approximately EUR 81 million (EUR 69 million in 2022). The search and construction of sites is outsourced by Hivory to SFR. Hivory, within a framework of obtaining synergies, has agreed that it will front load partially these investments to facilitate the construction of up to 2,500 sites at the earliest possible date. Thus, the Group delivered a prepayment in the first half of 2022 in respect of the investment and acceleration relating to the construction of these sites for an amount of EUR 521 million, which has been reduced by 85 million as of 31 December 2023 (97 million as of 31 December 2022) as a consequence of the transfer of sites by SFR Telecom.

Finally, a new industrial and synergetic agreement with SFR has been reached in 2023 by meeting SFR's need to deploy new PoPs on existing and new sites. The agreement involves an associated investment over a 6-year period of up to approximately EUR 275 million in exchange for approximately EUR 35 million EBITDA IFRS 16 upon deployment (2029 – c.12.4x EBITDAaL multiple) under a 20 year contract length from the starting date of each new PoPs, with all-or-nothing renewal.

Therefore, the total investment in France during 2023 and 2022, in relation to the agreements described above, amounted to approximately EUR 899 million and EUR 1,407 million, respectively. In relation to the Divestment Remedy described in Note 7, 3,226 sites located in France will be gradually transferred during 2023 and 2024 for an amount of approximately EUR 835 million, of which approximately 2,353 sites have been transferred as of 31 December 2023 for an amount of approximately EUR 631 million.

Poland

During 2021 Cellnex reached an agreement in Poland with Iliad Poland and Polkomtel (see agreements described in Note 6 of the Consolidated Financial Statements ended as of 31 December 2022). Cellnex, through its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 sites and 1,500 sites that will be gradually transferred to Cellnex until 2030, of which 1,462 sites and 149 sites have been transferred as of 31 December 2023 (798 sites and 71 sites in 2022). During 2023, 664 sites and 78 sites were acquired (610 sites and 36 sites in 2022), as well as other updates in active equipment, for a total amount of approximately EUR 166 million and EUR 70 million, respectively (EUR 147 million and EUR 19 million in 2022, respectively).

Italy

During 2023 and 2022, in the context of the Iliad Italy Acquisition, 873 and 998 sites have been transferred for an amount of approximately EUR 144 million and EUR 140 million, respectively.

Portugal

During 2023, in the context of the MEO Acquisition in 2019, 143 sites have been transferred (143 sites in 2022) with an investment amounting to approximately EUR 22 million (EUR 20 million in 2022). Additionally, in the second quarter of 2022, Cellnex acquired another portfolio of 102 sites in Portugal for approximately EUR 70 million (see Note 2.h of the 2022 Consolidated Financial Statements) according to the agreement reached in the second half of 2021 (see Notes 2.h and 6 of the 2021 Consolidated Financial Statements).

Additionally, in the first quarter of 2022, Cellnex reached an agreement with Nos Comunicações, S.A. in order to expand its BTS program for up to 150 sites to be transferred to Cellnex for approximately EUR 50 million, as part of its long-term partnership established in 2020. After this transaction, that was completed in the last quarter of 2022, the BTS program leads to a total of up to 550 sites to be completed by 2026, in exchange of a total capex of up to EUR 225 million, of which 278 sites have been transferred as of 31 December 2023 with an accumulated investment of EUR 164 million.

The United Kingdom

The CK Hutchison Holdings Transaction in respect of United Kingdom was completed in the last quarter of 2022 (see Note 6 of the 2022 Consolidated Financial Statements). Cellnex, through its subsidiary On Tower UK, has committed to acquire or for Hutchison to build, as applicable, up to 1,200 sites that will be gradually transferred to Cellnex until 2030. During 2023, 822 sites have been acquired for a total amount of approximately EUR 170 million.

Others

In addition to the movements described above, during 2023 investments have also been carried out by the Group in relation to “Built-to-Suit” agreements reached with several anchor tenants in Netherlands, Switzerland, Ireland, Austria, Denmark and Sweden for a total amount of approximately EUR 97 million (EUR 76 million in 2022), and other additions related to the business expansion and improvements of the Group's assets, for an amount of approximately EUR 370 million (EUR 350 million in 2022). The total additions for the year ended on 31 December 2023 includes the investments carried out by the Group in relation to Engineering Services that have been agreed with different customers, including ad-hoc capex eventually required (such as adaptation, engineering and design services) amounting to approximately EUR 227 million (EUR 311 million during 2022), mainly in France, UK, Switzerland and Portugal, amounting to EUR 107 million, EUR 83 million, EUR 13 million and EUR 8 million, respectively (EUR 106 million, EUR 123 million, EUR 21 million and EUR 15 million, respectively, during 2022).

At 31 December 2023 and 2022 the Group had not entered into additional relevant framework agreements with other customers.

Property, plant and equipment abroad

At 31 December 2023 and 2022 the Group had the following investments in property, plant and equipment located abroad:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Italy	1,715,422	1,605,244
France	5,000,286	4,571,681
UK	1,138,672	880,362
Switzerland	258,249	227,934
Portugal	549,950	515,896
Austria	256,902	225,546
Poland	1,518,930	1,233,886
Others	501,636	570,443
TOTAL	**10,940,047**	**9,830,992**

Fully depreciated assets

At 31 December 2023, fully depreciated property, plant and equipment amounted to EUR 1,708 million (EUR 1,074 million at 31 December 2022).

Change of control clauses

With regards to the Group's acquisitions of infrastructures from mobile telecommunications operators, certain material contracts entered into by the Group, including most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. With regards to the material contracts entered into by the Group with anchor customers, a change of control clause may be triggered (and is generally limited to) in the event where a competitor of the anchor customer, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights), or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). In such circumstances, and in certain cases, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

Purchase commitments at year-end

As of 31 December 2023 the Group held purchase agreements for property, plant and equipment assets amounting to EUR 4,490 million (EUR 5.393 million as of 31 December 2022). These purchase commitments were related to the agreements reached in France with Free Mobile in 2019, where Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 2,500 sites that will be gradually transferred to Cellnex until 2026, and several projects with Bouygues Telecom (Build-to-Suit sites, construction and acquisition of Mobile Switching Centers, Metropolitan Offices and Central Offices -sites with data processing capabilities-, and through which Nexloop will deploy a national optic fiber network in France to provide mobile and fixed fiber-based connectivity and especially accelerate the roll-out of 5G in the country). Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S in 2021, Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will gradually transferred to Cellnex until 2030. Furthermore, it included the agreements reached during 2021 in Poland with Iliad Poland and Polkomtel, where, Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030. In addition to the commitments described above, it also included the agreements with CK Hutchison Networks related to the deployment of new sites in Austria, Denmark, Ireland, Italy, Sweden, and the United Kingdom, as well as other "Build-to-Suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal, Ireland and the Netherlands.

Impairment

As of 31 December 2023 and 2022, the Directors of the Parent Company have not identified any indications of impairment related to the property, plant and equipment. Despite this, and in view of the relevance of the recently acquired assets related to telecom infrastructures (those not related to business combinations), the Directors of the Parent Company have decided to disclose the hypotheses used to evaluate any loss due to impairment. This evaluation is based on the calculation of the recoverable value, which has been determined in accordance with the general criteria and assumptions described in Notes 3.c and 9 of the accompanying Consolidated Financial Statements, of the corresponding cash generating unit prepared.

The impairment tests carried out demonstrate that the unit to which the assets are allocated is deemed capable of recovering the net carrying value recognised at 31 December 2023 and 2022. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests carried out, the recoverable amount obtained exceeds the carrying value of the assigned assets to such an extent that even if the hypothesis used were changed there would be no significant risk of impairment. In accordance with the sensitivity analysis performed described in Note 9, changes in the discount rates; in terminal growth rate "g"; and in activity could be made without recognising any impairment in the assets recognised by the Group at 31 December 2023 and 2022. Thus, the recoverable amount obtained exceeds the carrying amount of the fixed assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance to changes in the key assumptions used (see Note 9 for further details).

Asset revaluation pursuant to Act 16/2012, of 17 December

With regard to assets located in Spain, in 2012 several Spanish Group companies took advantage of Act 16/2012, of 27 December, resulting in an increase in the value of the assets through an accounting revaluation for EUR 41 million in the separate financial statements of the Spanish companies, which is not included in the cost of the assets for IFRS purposes. The tax effect of this revaluation has been recorded as a deferred tax asset in the accompanying Consolidated Financial Statements (Note 18).

Insurance

The Group takes out all insurance policies considered necessary to cover possible risks which might affect its property, plant and equipment. At 31 December 2023 and 2022, the Group's Directors considered that the insurance coverage was sufficient to cover the risks relating to its activities.

Other disclosures

As a result of the Hutchison United Kingdom Acquisition (see Notes 2 and 6 of the 2022 Consolidated Financial Statements) and pursuant the agreements between Cellnex and Hutchison, Cellnex is joint operator in MBNL in relation with the passive infrastructure. In this regard, following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are the subject of the agreements will be transferred to the Group without any additional disbursement. Irrespectively of the number of sites transferred, the revenues, EBITDA and cash flows should not be impacted.

At 31 December 2023 and 2022, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

9. Intangible assets

The changes in this heading in the consolidated balance sheet during 2023 and 2022 were as follows:

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2023 restated				
Cost	6,949,503	21,719,698	432,077	**29,101,278**
Accumulated amortisation	—	(2,314,129)	(137,940)	**(2,452,069)**
Carrying amount	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
Carrying amount at beginning of period	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
Changes in the scope of consolidation (Note 6)	5,282	17,098	—	**22,380**
Additions	—	—	29,258	**29,258**
Disposals (net)	—	—	(7,347)	**(7,347)**
Transfers to non-current assets held for sale	(396,065)	(811,200)	(2,479)	**(1,209,744)**
Foreign exchange differences	94,164	220,635	46,230	**361,029**
Amortisation charge	—	(1,044,665)	(100,433)	**(1,145,098)**
Carrying amount at close	**6,652,884**	**17,787,437**	**259,366**	**24,699,687**
At 31 December 2023				
Cost	6,652,884	21,146,231	497,739	**28,296,854**
Accumulated amortisation	—	(3,358,794)	(238,373)	**(3,597,167)**
Carrying amount	**6,652,884**	**17,787,437**	**259,366**	**24,699,687**

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2022				
Cost	5,980,279	19,311,532	403,270	**25,695,081**
Accumulated amortisation	—	(1,321,811)	(92,731)	**(1,414,542)**
Carrying amount	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
Carrying amount at beginning of period	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
Changes in the scope of consolidation (Note 6)	1,060,381	2,652,355	1,392	**3,714,128**
Additions	—	—	41,101	**41,101**
Disposals (net)	—	—	(12,007)	**(12,007)**
Transfers	(32,304)	(102,529)	—	**(134,833)**
Foreign exchange differences	(58,853)	(141,660)	(1,679)	**(202,192)**
Amortisation charge	—	(992,318)	(45,209)	**(1,037,527)**
Carrying amount at close	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
At 31 December 2022 restated				
Cost	6,949,503	21,719,698	432,077	**29,101,278**
Accumulated amortisation	—	(2,314,129)	(137,940)	**(2,452,069)**
Carrying amount	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**

Intangible assets for telecom infrastructure services

The breakdown of the net book value of intangible assets for telecom infrastructure services is set out below:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Concession intangible assets	59,207	63,314
Customer network services contracts	14,314,425	15,667,448
Network location	3,413,805	3,674,807
Total	**17,787,437**	**19,405,569**

Goodwill

Gross goodwill and the accumulated losses in value recognised at 31 December 2023 and 2022, respectively, are detailed as follows:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Gross goodwill	6,652,884	6,949,503
Accumulated valuation adjustments	—	—
Net goodwill	**6,652,884**	**6,949,503**

The detail of goodwill, classified by cash-generating unit, at 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Cellnex Italia SpA	821,462	821,462
Tradia Telecom	42,011	42,011
Towerlink Netherlands	33,910	35,307
Shere Masten	66,089	66,089
Shere Group UK (1)	29,005	28,420
Swiss Towers (1)	182,361	171,490
Infracapital Alticom subgroup	75,431	75,431
On Tower Netherlands BV	10,525	10,525
Swiss Infra Services (1)	180,086	169,348
Cignal Infrastructure subgroup	—	40,066
On Tower France	471,528	471,528
On Tower UK subgroup (1)	1,368,566	1,342,721
Metrocall	14,923	14,923
On Tower Portugal	89,743	89,743
Omtel	28,455	28,455
On Tower IE	—	240,697
On Tower DK (1)	107,938	108,176
On Tower AT	311,299	311,299
On Tower SE	271,016	270,388
On Tower Poland	246,162	229,287
Cignal infrastructure Netherlands	189,898	189,898
Towerlink Poland	315,739	292,597
Hivory, SAS	1,414,142	1,521,344
Infratower Portugal	40,456	40,456
Cignal Infrastructure UK Limited	319,689	311,501
Others	22,450	26,341
Goodwill	**6,652,884**	**6,949,503**

(1) This goodwill is related to assets in a non-euro currency thus its value in Euros is affected by the variations in the prevailing exchange rate.

The main variations in the 2023 are due to the reclassifications to "Assets held for sale" described in Note 7. In 2022 the main variations were due to changes in the scope of consolidation and business combinations, as detailed in Note 6, which mainly corresponds to the effect of the deferred tax on intangible assets acquired.

Changes in the scope of consolidation and business combinations

The movements in 2023 and 2022 due to changes in the scope of consolidation and business combinations in intangible assets for telecom infrastructure services mainly correspond to the impact of:

2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

2022

- Hutchison United Kingdom Acquisition (EUR 3,659,041 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

During 2023 and 2022, the Group had not entered into additional relevant framework agreements with customers, other than those included in the Notes 6 and 8.

Intangible assets abroad

At 31 December 2023 and 2022, the Group had the following net book value of intangible assets located in the following countries:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Italy	3,681,149	3,858,399
Netherlands	1,196,265	1,238,748
France	6,644,485	7,312,641
United Kingdom	6,010,515	6,101,947
Portugal	1,331,463	1,405,208
Switzerland	1,439,945	1,421,456
Ireland	—	853,925
Austria	954,526	992,372
Poland	2,137,327	2,069,512
Others	1,031,926	1,095,149
Total	**24,427,601**	**26,349,357**

Fully depreciated assets

At 31 December 2023, fully depreciated intangible assets amounted to EUR 142,987 thousand (EUR 132,835 thousand at 31 December 2022).

Purchase commitments at year-end

At 31 December 2023, the Group held purchase agreements for intangible assets, amounting to EUR 5,715 thousand (EUR 9,372 thousand at 31 December 2022).

Impairment

As indicated in Notes 3.b and 3.c, at the end of each reporting period goodwill is assessed for impairment based on a calculation of the recoverable value of their respective Cash-Generating Unit (hereinafter, "CGU") as their value in use or their market value (price of similar, recent transactions in the market), if the latter is higher.

Prior to preparing revenue and expense projections, those projections made as part of the impairment tests for the prior year were reviewed to assess possible variances. In comparison with 2022 impairment tests, 2023 impairment results shown no significant variances.

The recoverable value was calculated as follows:

- The period over which the related investment is expected to generate cash flows was determined. Projections covers a period higher than five years of cash flows after the year end, due to the duration of the existing service contracts with customers. In this regard, the projections consider a projected period (33 years in average) until the tenancy ratio reaches normal mature market standards and, at that time, the residual value is determined.

- The respective revenue and expense projections were made using the following general criteria and assumptions:

  - For revenue, trends were forecast assuming a different increase for each CGU of the consumer price index (CPI) in each country as well as the conditions agreed with the MNOs (floors, caps and escalators where applicable) in which the assets are used or the business operates as well as increases activity through collocation of new MNOs until a standard tenancy of mature markets is achieved.

  - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business. as well as expected cost reductions from the efficiency programs launched by the Group.

  - In addition, the Group considered the impact of infrastructure maintenance and expansion to be carried out, using the best estimates available based on the Group's experience and taking into account the projected performance of the activity. Current market guidance given in relation to the ratio of maintenance and expansion capex to revenues amounts to c.3% and c.10%, respectively.

  - Taxes have been also considered in the projections on a country-by-country basis.

The cash flow projections based on the revenue and expense projection made as set forth above were discounted at the rate resulting from adding, to the long-term cost of money, the risk premium assigned by the market to each country where the activity takes place and the risk premium assigned by the market to each business (over the long term in both cases). The potential impact of the risks arising from climate change described in Note 22 have been properly considered on the projections of the impairment tests, with no significant impacts.

Projections for the first years are generally based on the 2023 year end, the 2024 budget and on the most recent medium-term projection (2025).

Finally, in relation to the CGU's located in the United Kingdom, the potential increase in the risk and uncertainty inherent to Brexit was taken into account in the evaluation of the impairment losses, since a prudent estimate was made of cash flow to ensure that the models would not have to be adjusted significantly as a result of Brexit. In this regard, the budgets and forecasts from prior periods used to determine the recoverable amounts were reviewed in order to ensure that they continued to reflect current economic conditions.

The most significant assumptions used in determining the recoverable value of the main CGU's in 2023 and 2022 with the most relevant intangible assets and goodwill were as follows:

- The discount rate is initially calculated using the weighted average cost of capital (WACC) determined applying the Capital Asset Pricing Model. In this regard, the WACC determined in 2023 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory, Infratower and Hutchison UK was 5.7%, 5.7%, 5.7%, 6.0%, 5.3%, 5.6%, 5.3%, 5.1%, 5.3%, 5.3%, 5.5%, 5.5%, 5.1%, 5.8%, 5.8%, 5.8%, 5.6%, 5.4%, 5.5%, 5.8%, 5.5%, 6.8%, 6.8%, 5.3%, 5.5%, 5.8% and 5.6%, respectively (WACC in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.5%, 6.5%, 6.5%, 6.9%, 5.5%, 5.9%, 5.5%, 4.9%, 5.5%, 5.5%, 5.7%, 5.7%, 4.9%, 5.9%, 6.1%, 6.1%, 5.9%, 5.5%, 5.7%, 5.9%, 5.8%, 7.4%, 7.4%, 5.5%, 5.7% and 6.1%, respectively). Subsequently, as per IFRS and ESMA requirements, the discount rate to be applied in the impairment test is evaluated to reflect the impact of IFRS 16 on the composition of the carrying amount of the CGUs and how leased assets are financed by the Group. In this regard, the discount rate applied in 2023 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory, Infratower and Hutchison UK was 5.6%, 5.4%, 5.7%, 5.8%, 5.1%, 5.6%, 5.2%, 4.4%, 5.1%, 5.1%, 4.7%, 5%, 4.5%, 5.8%, 5.5%, 5.6%, 5.5%, 4.8%, 5.5%, 5.6%, 5.4%, 6.6%, 6.5%, 5.1%, 5.3%, 5.8% and 5.6%, respectively (discount rate in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.2%, 5.9%, 6.5%, 6.4%, 5.3%, 5.9%, 5.4%, 4.1%, 5.3%, 5.3%, 4.7%, 5.1%, 4.3%, 5.9%, 5.7%, 5.8%, 5.6%, 5.1%, 5.3%, 5.6%, 5.7%, 7.2%, 6.7%, 5.3%, 5.4% and 6.1%, respectively).

- The compound annual growth rate for all CGUs was between 1% and 5% per annum in 2023 and 2022.

- The 'terminal g', considered for all CGUs in 2023 and 2022 was between 1% and 2% for all CGUs.

As indicated above, there have been no significant variations in the discount rate considered between 2023 and 2022.

The impairment tests carried out demonstrate that the unit to which the recognised goodwill or intangible assets in telecom infrastructures are allocated is deemed capable of recovering the net value recognised at 31 December 2023 and 2022. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests performed both on the goodwill the recoverable amount obtained (determined based on the recoverable value as indicated previously) exceeds the carrying value of the goodwill and assigned assets to such an extent that even if the hypothesis used were changed significantly there would be no significant risk of impairment. In accordance with the sensitivity analysis performed, any changes in the discount rates of +50 basis points; in terminal growth rate "g" of -50 basis points; and in activity of -500 basis points could be made without recognising any impairment to goodwill recognised by the Group at 31 December 2023 and 2022. Thus, the recoverable amount obtained exceeds the carrying amount of the assets and, additionally, the sensitivity analyses conducted on the projections evidence clearly a high tolerance (between 10% and 20%) to changes in the key assumptions used.

Other disclosures

At 31 December 2023 and 2022, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

10. Investments in associates

The changes in this heading in the consolidated balance sheet are as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**33,232**	**3,265**
Profit of the year	(2,635)	(4,239)
Additions	9,563	30,134
Others	2,161	4,072
At 31 December	**42,321**	**33,232**

The shareholdings in associates accounted for using the equity method are detailed as follows:

	Thousands of Euros	
	Value of the shareholding	
	31 December 2023	31 December 2022
Torre Collserola, S.A.	1,971	1,960
Nearby Sensors	337	241
Nearby Computing	96	119
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	220	778
Digital Infrastructure Vehicle I SCSp (DIV)	39,697	30,134
Total	**42,321**	**33,232**

Digital Infrastructure Vehicle I SCSp ("DIV")

As part of the T-Mobile Infra Acquisition (see Note 6 of 2021 Consolidated Financial Statements), Cellnex, together with DTAG, as fund's initial limited partners, signed a commitment letter, pursuant to which Cellnex committed to invest EUR 200 million in DIV. In this regard, during 2023, DIV drew approximately EUR 12 million (EUR 32 million during 2022), which Cellnex additionally paid with available cash. Such funds were used mainly to finance the acquisition by DIV of small fiber companies in the Netherlands, as well as the general operations of the fund. Thus, these new subsequent investments made by DIV, as per IFRS 10:B94 "Equity Method as One-line Consolidation", have been evaluated separately and have been consolidated within the Cellnex Group through the equity method as of 31 December 2023 and 2022.

Additionally, during 2023 new partners have become part of DIV's shareholders and, in accordance with the Limited Partnership Agreement, the founding partners, Cellnex and DTAG have recovered part of the initial investment for an amount of EUR 12 million (EUR 52 million in 2022, corresponding to the reimbursement of contributions of its initial investment in DIV, EUR 48 million, and a financial compensation, EUR 4 million, recognized in the Financial Income heading of the accompanying 2022 consolidated income statement). These reimbursements of contributions and the consequent reduction of participation in DIV, and consequently in Cellnex Netherlands, has been recorded as an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in Cellnex Netherlands.

As a result, Cellnex's investment in DIV has been diluted by 1.52%, from 20.62% to 19.10% and, consequently, as of 31 December 2023, Cellnex's stake in the Cellnex Netherlands subgroup has decreased by 0.57%, from 70.11% to 69.54% (see Notes 2.h and 14.f of the accompanying Consolidated Financial Statements).

Finally, as of 2023 year-end the Cellnex's remaining investment commitment in DIV amounts to EUR 81 million (EUR 83 million as of 2022 year-end).

Impairment

The Group carried out an impairment analysis to determine the recoverability of the investments in associates. To carry out these analyses, the Group considered future cash flow projections in a manner similar to that impairment in Note 9, and no impairment was found for the 2023 financial year.

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2023 and 2022 is as follows:

				Thousands of Euros
	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	34,062	3,007	54,404	—
Fair value hedges	2,687	15,915	—	25,290
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	49,473	—	95,727	—
Hedges of a net investment in a foreign operation	—	—	11,392	—
Derivatives not designated as hedges:				
Equity swap	14,943	986	—	—
Derivate financial instruments	**101,165**	**19,908**	**161,523**	**25,290**
Interest rate swap:				
Cash flow hedges	33,420	3,007	150,131	—
Fair value hedges	50	15,915	—	25,290
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	45,474	—	—	—
Hedges of a net investment in a foreign operation	—	—	11,392	—
Non-current	**78,944**	**18,922**	**161,523**	**25,290**
Interest rate swap:				
Cash flow hedges	642	—	—	—
Fair value hedges	2,637	—	—	—
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	3,999	—	—	—
Derivatives not designated as hedges:				
Equity swap	14,943	986	—	—
Current	**22,221**	**986**	**—**	**—**

The Group has used interest rate swaps and interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

The detail of the derivative financial instruments at 31 December 2023 and 2022, by type of instrument, showing their notional or contractual values, expiry dates and fair values, is as follows:

								Thousands of Euros
								31 December 2023
	Notional amount	**2024**	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Net fair value**
Interest rate swaps:								
Cash flow hedges	267,033	12,871	7,704	7,327	3,824	(288)	(265)	31,054
Interest rate and/or cross currency swaps:								
Cash flow hedges	504,817	8,286	7,617	7,183	6,782	6,401	13,110	49,472
Fair value hedges	1,000,000	(12,087)	(4,762)	3,738	—	—	—	(13,227)
Derivatives not designated as hedges:								
Equity Swap	150,000	14,030	—	—	—	—	—	13,957
Total	**1,921,850**	**23,100**	**10,559**	**18,248**	**10,606**	**6,113**	**12,845**	**81,256**

								Thousands of Euros
								31 December 2022
	Notional amount	**2023**	**2024**	**2025**	**2026**	**2027**	**Subsequent years**	**Net fair value**
Interest rate swaps:								
Cash flow hedges	136,235	8,914	12,779	12,989	12,866	6,497	927	54,404
Fair value hedges	1,000,000	(6,961)	(11,265)	(8,084)	1,336	—	—	(25,290)
Interest rate and/or cross currency swaps:								
Cash Flow Hedges	504,817	9,310	8,708	8,221	7,889	7,559	55,581	95,727
Hedges of a net investment in a foreign operation	450,000	(4,853)	(4,605)	(4,313)	(4,089)	29,548	—	11,392
Total	**2,091,052**	**6,410**	**5,617**	**8,813**	**18,002**	**43,604**	**56,508**	**136,233**

Interest rate swaps (IRS)

The bond issued in April 2017 for EUR 80 million and maturing in April 2026 was hedged with floating-to-fix IRS, converting the floating rate of the bond in to a fixed rate (see Note 15). The notional amount and the maturity of the IRS match those of the underlying bond. As a result of the contracted IRS the final interest rate on the EUR 80 million bond is 2.945%.

Additionally, during 2020, Nexloop arranged a floating-to-fixed IRS for an increasing nominal value up to EUR 448,000 thousand. This transaction was structured to hedge the EUR 600,000 thousand 8-year capex facility to partially finance the deployment of the fibre network by Nexloop (see Notes 2.h and 7 of the 2020 Consolidated Financial Statements). Additionally during 2023, Nexloop also arrange a floating-to-fixed IRS for an increasing nominal value up to EUR 139,000 thousand. This transaction was structured to increase the prior hedge on the EUR 600,000 thousand 8-year capex facility and partially hedge the new incremental facility of EUR 100,000 thousand signed on July 24, 2023 and also maturing in 2028.

In April 2022, the Group entered into an interest rate swap agreement for EUR 500,000 thousand, partially transforming the latest EUR 1,000,000 thousand bond issuance from fix-to-floating rate (see Note 15). In this regard, this interest rate swap has been treated as a fair-value hedge. This hedge is referred to 6M EURIBOR and the reference rate is 0.935%. Finally, in October 2022 the reference to 6M EURIBOR was changed to 1M EURIBOR through new interests rate swaps.

In November 2022, the Cellnex France Infrastructures, arranged a floating-to-fix IRS for an increasing nominal value up to EUR 90 million. This transaction was structured to hedge the EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites.

Cross currency interest rate swaps

During 2020, Cellnex Telecom, S.A. arranged a Cross Currency Swap ("CCS") for EUR 450,000 thousand and an equivalent sterling value of GBP 382,000 thousand which was designated together with the bond issue of EUR 450,000 thousand described in Note 15 of the 2020 Consolidated Financial Statements as a natural hedge of the net investment made in United Kingdom Group's subsidiaries. Finally, in February 2023, the Group cancelled the aforementioned Cross Curency Swap ("CCS") for an amount of EUR 450,000 thousand.

In 2021, Cellnex Finance entered into a cross-currency swap agreement by virtue of which Cellnex lent the USD 600,000 thousand from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505,000 thousand at a coupon of 2.25% (see Note 15).

During 2023, the Group designated the cash maintained in zlotys (PLN) amounting to PLN 169,000 thousand together with the arranged forward rate agreements in zlotys for an amount of PLN 2,104,000 thousand and an equivalent euro value of EUR 469,000 thousand to hedge the disbursement envisaged in relation to the investment commitment acquired in June 2023 in relation to the 30% stake of On Tower Poland acquisition (see Note 2.h).

Consequently, EUR-PLN exchange differences EUR-PLN amounting to EUR 5,602 thousands were recognised in the total acquisition price of the stake.

Finally, without being contracted a derivative financial instrument, the Group applied as net investment hedge certain debts maintained in currency other than euro to hedge currency risk in net investments in foreign operation as described in Note 15.

As of 31 December 2023 and 2022, the estimated sensitivity in the value of interest rate swaps to a 1% change (increase or decrease) in the interest rate is as follows:

				Thousands of Euros
		2023		2022
	1% change	-1% change	1% change	-1% change
Interest rate swaps:				
Cash Flow Hedges	28,866	28,458	72,151	34,779
Fair Value Hedges	(20,691)	(4,858)	(40,214)	(10,262)

As of 31 December 2023 and 2022, the estimated sensitivity in the value of interest rate and/or cross currency swaps to a 10% change (increase or decrease) in the exchange rate is as follows:

				Thousands of Euros
		2023		2022
	10% change	-10% change	10% change	-10% change
Interest rate and/or cross currency swaps:				
Cash Flow Hedges	241,622	106,674	153,989	58,538
Hedges of a net investment in a foreign operation	—	—	(28,980)	51,830

Derivatives not designated as hedges

In November 2023, Cellnex Finance Company, S.A. (Unipersonal), entered into a total return equity swap agreement with a global financial institution referencing the shares of Cellnex for a notional amount of EUR 150,000 thousand, which at prevailing market prices was equivalent to approximately 4,677,487 shares, representing c. 0.7% of its share capital, with a maturity date of 12 months, to be settled in cash. This derivative is guaranteed by Cellnex Telecom. Under the contract Cellnex Finance receives any dividends and increases in fair value of the underlying shares and pays the decreases in fair value and a fixed variable interest rate. According to the terms of the agreement, the contracted financial instrument cannot be qualified as hedge and its change of the fair value are recognised in "Net financial loss" caption of the accompanying consolidated income statement.

As of 31 December 2023, the estimated sensitivity in the value of the total return equity swap to a 10% increase or decrease in the market value of the Cellnex share is plus EUR 16,666 thousand and minus EUR 16,666 thousand, respectively.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2023 and 2022 is as follows:

	Thousands of Euros					
	31 December 2023			31 December 2022 restated		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	—	821,672	821,672	—	827,188	827,188
Allowances for doubtful debts (impairments)	—	(22,503)	(22,503)	—	(24,003)	(24,003)
Trade receivables	**—**	**799,169**	**799,169**	**—**	**803,185**	**803,185**
Current tax assets	—	255,315	255,315	—	290,798	290,798
Receivables with other related parties (Note 24.d)	—	—	—	—	57	57
Other receivables	294,914	101,122	396,036	75,259	80,948	156,207
Trade and other receivables	**294,914**	**1,155,606**	**1,450,520**	**75,259**	**1,174,988**	**1,250,247**

Trade and other receivables are shown at amortised cost, which does not differ significantly from their nominal value.

Trade receivables

Trade receivables are measured at their nominal amount, which is similar to fair value at initial recognition. This value is reduced, if necessary, by the corresponding provision for bad debts (impairment loss) whenever there is objective evidence that the amount owed will not be partially or fully collected. This amount is charged against the consolidated income statement for the year.

This caption includes outstanding amounts from customers. At 31 December 2023 and 2022, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 2023 and 2022, amounted to EUR 19,813 thousand and EUR 17,056 thousand, respectively.

At 31 December 2023, the amount utilized under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 72.3 million (EUR 38.6 million at 2022 year-end). In this regard, the Group derecognises the receivables sold on a non-recourse basis as it considers that it has substantially transferred the risks and rewards inherent to their ownership to banks. At 31 December 2023 the limit under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 290 million (EUR 223 million as at 2022 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2023 and 2022 were as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**24,003**	**20,021**
Disposals	(1,704)	(2,206)
Change in scope	138	53
Net changes	66	6,135
At 31 December	**22,503**	**24,003**

Disposals in this period relate to previous balances that were fully provided for, and which the Group decided to completely derecognise, without this having any impact on the accompanying consolidated income statement.

Net changes relate to changes in the provision recognised under “Changes in provisions” in the accompanying consolidated income statement with regard to the previous year.

Current tax assets

The breakdown of “Current tax assets” is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022
Corporate income tax	78,297	26,905
VAT receivable	169,943	243,521
Other taxes	7,075	20,372
Current tax assets	**255,315**	**290,798**

At 31 December 2023, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in Poland and France (see Note 8) for an amount of EUR 163 million. At 31 December 2022, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France, Poland and Portugal (see Note 8 of the 2022 Consolidated Financial Statements) for an amount of EUR 221 million.

During 2022 the Group reached a non-recourse agreement regarding a receivable balance relating to VAT, amounting to EUR 445 million in relation to the Hutchison United Kingdom Acquisition (see Note 6 of the 2022 Consolidated Financial Statements). At 31 December 2022 the Group derecognised the VAT receivable sold on a non-recourse basis, based on this agreement, as it substantially transferred all the risks and rewards inherent to its ownership to a financial institution. At 31 December 2023, the aforementioned VAT receivable had already been collected.

Other receivables

At 31 December 2023 and 2022 “Other receivables” comprises:

- The deferred payment and the earn out agreed with Stonepeak in the context of the divestment agreement of the 49% interest in its businesses in Sweden and Denmark through the sale of the 49% of the new incorporated company Cellnex Nordics, S.L. (see Note 2.h) for a total amount of EUR 172,685 thousand. This amount includes both the remaining balance of the total acquisition price, amounting to EUR 130,000 thousand, which will be paid on 2027 and the earn out recognised, amounting to EUR 42,685 thousand, would be payable upon Cellnex execution of 3GIS call option in Sweden agreed with Hutchison (see Integrated Annual Report for the year ended on 31 December 2021). The amount of the aforementioned deferred payments have been recognised at its present value discounted at approximately 6% and it is subject to subsequent capitalization. Therefore, as of 31 December 2023, the present value amounts to EUR 135,833 thousand. Thus, the impact on “financial income” of the accompanying consolidated income statement for 2023 amounted to EUR 653 thousand.

- The deferred payment agreed with Phoenix Towers International in the context of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 7). The amount includes the remaining balance of the total acquisition price, amounting to EUR 100,251 thousand, of which EUR 25,000 thousand will be paid on 2024, EUR 55,251 thousand will be paid on 2025 and EUR 20,000 thousand will be paid on 2026. The amount of the aforementioned deferred payment has been recognised at its present value discounted at approximately 7% and it is subject to subsequent capitalization. Therefore, as of 31 December 2023, the present value amounts to EUR 88,744 thousand. Thus, there has been no significant impact on the consolidated income statement for 2023.

- Loans with service purchasers that are not strictly considered customers and with other trade debtors not included under other accounts, and advances to creditors, debtors and employees.

There are no significant differences between the carrying amount and the fair value of the financial assets.

13. Cash, cash equivalents and financial investments

a) Cash and cash equivalents

The breakdown of "Cash and cash equivalents" is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022
Cash on hand and at banks	364,836	709,853
Term deposits at credit institutions	927,603	328,326
Total	**1,292,439**	**1,038,179**

b) Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
			31 December 2023			31 December 2022
	Non-current	Current	Total	Non-current	Current	Total
Other financial assets	115,581	—	**115,581**	93,242	—	**93,242**
Advances to customers	21,508	3,972	**25,480**	24,326	3,663	**27,989**
Current and non-current financial investments	**137,089**	**3,972**	**141,061**	**117,568**	**3,663**	**121,231**

Other financial assets

As detailed in Note 19.a, in relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. In this regard, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 116 million (EUR 93.2 million as of 31 December 2022), which were registered in the heading "Non-current financial investments" of the accompanying consolidated balance sheet. On 5th November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. To date, the General Court of the European Union has still not ruled on such appeal. In accordance with Note 19.a, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Group considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

Advances to customers

This heading of the consolidated balance sheet includes, with regards to the acquisitions of telecom infrastructures undertaken by the Group, the multi-annual commercial costs assumed by the Group, in order to obtain the service provision services agreements with the mobile telephone operators that will generate future economic profit, through the purchase, from these operators, of the telecom infrastructures, the dismantling of which has been agreed to along with the related cost. It must be noted that the dismantling expenses do not represent a legal obligation to dismantle the telecom infrastructures, but rather a commercial decision made by the Group and these costs will be capitalised as they are incurred.

These amounts are recognised as an advance of the subsequent services agreement with the mobile telephone operator, which is recognised in the accompanying consolidated income statement on a straight-line basis as a reduction to "revenue from services rendered" according to the term of the services agreement entered into with the operator.

The changes in "advances to customers" during 2023 and 2022 were as follows:

	Thousands of Euros		
	2023		
	Non-current	Current	Total
At 1 January	**24,326**	**3,663**	**27,989**
Additions	149	—	149
Charge to the consolidated income statement	—	(3,983)	(3,983)
Transfer	(3,983)	3,983	—
Others	1,016	309	1,325
At 31 December	**21,508**	**3,972**	**25,480**

	Thousands of Euros		
	2022		
	Non-current	Current	Total
At 1 January	**26,406**	**3,151**	**29,557**
Additions	277	—	277
Charge to the consolidated income statement	—	(3,442)	(3,442)
Transfer	(3,442)	3,442	—
Others	1,085	512	1,597
At 31 December	**24,326**	**3,663**	**27,989**

Current and non-current advances to customers relate to the accounting treatment adopted by the Group in reference to the telecom infrastructures acquired, which are to be subsequently dismantled. These purchases are considered advances to customers and are recognised under these headings (see Note 3.d).

The balances of the financial assets are reflected at their face value, there being no significant differences concerning their fair value.

Additions

Corresponds to the pluri-annual commercial costs assumed by the Group in order to obtain the service provision services agreements with the mobile telephone operators, through the purchase of the telecom infrastructures from these operators, the dismantling of which has been agreed to along with the related cost.

Charge to the consolidated income statement

During 2023 and 2022, in line with the terms of the services agreements entered into with the operators, the corresponding amount of the total paid for the purchase of telecommunications infrastructure, treated as prepayment for the subsequent service agreements, was taken to the accompanying consolidated income statement. At 31 December 2023 and 2022 this amount was recorded as a reduction to revenues amounting to EUR 3,983 thousand and EUR 3,442 thousand, respectively.

Transfers

The transfers from the 2023 and 2022 financial years are due to the classification under “Current financial investments” of the part that is expected to be charged during the next financial year to the consolidated income statement.

14. Net equity

a) Share capital and treasury shares

Share capital

At 31 December 2023 and 2022, the share capital of Cellnex Telecom, S.A. amounted to EUR 176,619 thousand, represented by 706,475,375 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

Changes in 2023

During 2023 there have been no changes in the share capital of Cellnex Telecom, S.A.

Changes in 2022

In the context of the Hutchison United Kingdom Acquisition (see Note 6 of the 2022 Consolidated Financial Statements), on 28 April 2022, the general shareholders' meeting of Cellnex (the "General Shareholder's Meeting") approved (delegating its execution on the Board of Directors) a share capital increase by means of an in-kind contribution for the payment of the portion of the consideration settled in Shares, which was a renewal of its initial approval for such capital increase made on 29 March 2021. Consequently, on 10 November 2022, Cellnex issued 27,147,651 new shares at a subscription price (nominal value plus share premium) of 49.8121 for each new share. The shares have been admitted to listing on the Spanish Stock Exchanges, with actual trading beginning on 11 November 2022.

Thus, the share capital of Cellnex is of 31 December 2022 was 176,618,843.75 euros, divided into 706,475,375 shares, each with a face value of 0.25 euros, all belonging to the same class and series.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

On 10 November 2022, the public deed for the Capital Increase, was duly registered.

Significant shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission, the shareholders who hold significant shareholdings in the share capital of the Parent Company, both directly and indirectly, greater than 3% of the share capital at 31 December 2023 and 2022, are as follows:

		% ownership
Company	**31 December 2023**	**31 December 2022**
Edizione, S.r.l. (1)	9.90 %	8.53 %
The Children's Investment Master Fund (2)	9.39 %	7.09 %
GIC Private Limited (3)	7.03 %	7.03 %
Canada Pension Plan Investment Board	5.19 %	4.97 %
Blackrock, Inc.	5.04 %	5.05 %
Ck Hutchison Holdings Limited	4.83 %	4.83 %
Fundación Bancaria Caixa D' Estalvis i Pensions de Barcelona	4.77 %	4.77 %
Norges Bank	3.00 %	3.00 %
JP Morgan Chase	— %	5.38 %
Total	**49.15 %**	**50.65 %**

Source: National Securities Market Commission ("CNMV")

(1) Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls Schema Gamma S.r.l (formerly ConnecT Due S.r.l).

(2) The Children´s Investments Master Fund is managed by the TCI Fund Management Limited by means of certain investment agreements. TCI Fund Management Limited is controlled by Christopher Anthony Hohn.

(3) GIC Private Limited holds directly 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides direction and management to GIC Infra Holdings Private Limited, which in turn holds 100% of the share capital of Lisson Grove Investment Private Limited.

At 31 December 2023 and 2022, Edizione was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 9.90% stake in its share capital (8.53% at 2022 year-end).

As of 31 December 2023 and 2022, none of the significant shareholders, whether individually or together, controls the Parent Company.

Treasury shares

On 31 May 2018 the Ordinary General Shareholder's Meeting of Cellnex Telecom, S.A. resolved to delegate in favour of the Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital.

During the second half of 2021, Cellnex Board of Directors approved the Cellnex's Treasury Shares Policy, which is available on the Corporate Website. Thus, during the year ended 31 December 2023, Cellnex did not carry out discretional purchases of treasury shares (302,207 thousand in 2022). These purchases were carried out under the delegation from the Ordinary General Shareholder's Meeting to the Board of Directors of May 2018 and fulfilling the principles established in the treasury shares policy. The use of the treasury shares acquired under discretional purchases will depend on the agreements reached by the Corporate Governance bodies. On 1 June 2023, the Ordinary General Shareholder's Meeting resolved to approve the aforementioned delegation in the same terms.

At 31 December 2023 and 2022, 52,399 and 291,258 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. In addition, during 2023, 108,578 shares have been transferred to bondholders in relation to the repurchase of senior unsecured convertible bonds, as detailed in Note 15. Finally, 7,342 treasury shares have been transferred as payment in kind for professional services.

At 31 December 2023, the Parent Company has registered a loss of EUR 1,946 thousand (a loss of EUR 52,391 thousand in 2022), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the consolidated balance sheet.

The number of treasury shares as at 31 December 2023 and 2022 amounts to 950,688 and 1,119,007 shares, respectively and represents 0.135% and 0.158%, respectively, of the share capital of Cellnex Telecom, S.A.

The movement in the portfolio of treasury shares during 2023 and 2022 has been as follows:

2023

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2023	**1,119**	**42.554**	**47,619**
Sales / Others	(168)	42.554	(7,163)
At 31 December 2023	**951**	**42.554**	**40,456**

2022

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2022	**1,202**	**50.570**	**60,802**
Purchases	7,328	41.240	302,207
Sales / Others	(7,411)	42.550	(315,390)
At 31 December 2022	**1,119**	**42.554**	**47,619**

b) Share premium

As at 31 December 2023 the share premium of Cellnex Telecom amounted to EUR 15,482 million (EUR 15,523 million in 2022). During 2023, a total cash pay out to shareholders of EUR 40,290 thousand was declared from the share premium account (see Note 14.d).

During 2022, the share premium increased due to the capital increase described in Note 14.a. In addition, a cash pay out to shareholders of EUR 36,635 thousand was declared from the share premium account (See Note 14.d).

c) Reserves

The breakdown of this account is as follows:

	Thousands of Euros	
	31 December 2023	**31 December 2022 restated**
Legal reserve	19,000	19,000
Reserves from the Parent Company	(402,365)	159,155
Reserves of consolidated companies	(1,230,968)	(1,223,708)
Hedge reserves	14,407	56,748
Foreign exchange differences	215,269	(143,192)
Reserves	**(1,384,657)**	**(1,131,997)**

I) Legal reserve

In accordance with the consolidated text of the Spanish Limited Liability Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed to shareholders unless the Parent Company is liquidated.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Apart from the purpose mentioned above, the legal reserve may be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At 31 December 2023 and 2022, because of the capital increase carried out during 2022, the legal reserve had not reached the legally established minimum.

II) Reserves from the Parent and consolidated companies

The reserves, totalling negative EUR 1,633,333 thousand and EUR 1,064,553 thousand as of 31 December 2023 and 2022, respectively, includes the negative reserves of the Parent and consolidated companies, which amounts to negative EUR 1,843,269 thousand and EUR 1,294,700 thousand as of 31 December 2023 and 2022, respectively, and the convertible bond reserve, which amounts to EUR 209.936 thousand (positive reserve) and EUR 230,147 thousand as of 31 December 2023 and 2022, respectively.

The decrease in "Reserves from the Parent Company" and "Reserves of consolidated companies" during 2023 is due to: i) the positive impact amounting to EUR 122 million in relation with the sale transaction of non-controlling interests in Cellnex Nordics (see Note 2.h), ii) the net negative impact of EUR 259 million in relation to the issuance of the 2023 Convertible Bond and the repurchase of the convertible bonds issued in 2018 and 2019 as stated below, iii) the distribution of 2022 losses for an amount of EUR 297 million, iv) the negative impact amounting to EUR 106 million related to the transaction with non-controlling interests of On Tower Poland in relation with the 30% of the share capital acquired from Iliad Purple (see Note 2.h), v) the net negative impact on reserves amounting to EUR 33 million in relation to the reimbursement received from DIV (EUR 7 million) (see Notes 10 and 19.c) net of the update of the contingent commitment to purchase shares of Cellnex Netherlands in the context of the T-Mobile Infra Acquisition (EUR 40 million) as a result of the change in the ownership subject to the contingent commitment to purchase. In this regard, as of 31 December 2023, the value of the contingent commitment amounted to EUR 404 million (EUR 364 million as of 2022 year-end). See Note 19.c), vi) employee benefit payable in shares (see Note 19), and vii) the negative result from transactions with treasury shares in the Parent Company amounting to EUR 2 million.

The decrease in "Reserves from the Parent Company" and "Reserves of consolidated companies" during 2022 was due to the impact recognised in equity due to: i) the distribution of 2021 losses for an amount of EUR 363 million, ii) the negative impact amounting to EUR 368 million in relation with the transaction with non-controlling interests of On Tower France in relation with the 30% of the share capital acquired from Iliad (see Note 2), iii) the negative impact amounting to EUR 1 million in relation with the transaction with non-controlling interests of On Tower Poland in relation with the 10% of the share capital acquired from Play (see Note 2), iv) the net negative impact on reserves amounting to EUR 50 million in relation to the reimbursement received from DIV (see Notes 2.h, 10 and 19.c) net of the update of the contingent commitment to purchase shares of Cellnex Netherlands in the context of the T-Mobile Infra Acquisition as a result of the change in the ownerships subject to the contingent commitment to purchase, and v) employee benefit payable in shares (see Note 19), and vi) the negative result from transactions with treasury shares in the Parent Company amounting to EUR 52 million.

Convertible bonds are compounded instruments that have been split into its two components: a debt component corresponding to the present value of the coupons and principal discounted at the interest rate of a non-convertible bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares. During 2023 the convertible bond reserve decreased by EUR 20,211 thousand to EUR 209,936 thousand due to: i) the positive impact of EUR 63,462 thousand in relation to the issuance of the 2023 Convertible Bond (see Note 15) and ii) the negative impact of EUR 83,673 thousand due to the repurchase of the convertible bonds issued in 2018 and 2019 (see Note 15). During 2022 there were not significant movement in this reserve.

At 31 December 2023 and 2022, there are no significant non-distributable reserves from both the Parent Company and the subsidiaries, except from the Legal reserve described above.

III) Hedge reserve

This line item includes the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

IV) Foreign exchange differences

The detail of this line item at 31 December 2023 and 2022 is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022 restated
Cellnex UK	124,902	(8,350)
Cellnex Telecom (USD)	251	927
Cellnex Switzerland (CHF)	10,439	12,792
Cellnex Denmark (DKK)	(273)	158
Cellnex Sweden (SEK)	(73,054)	(77,458)
Cellnex Poland (PLN)	153,004	(71,261)
Total	**215,269**	**(143,192)**

d) Interim dividend and proposed dividends

The determination of the distribution of dividends is carried out based on the individual statutory financial statements of Cellnex Telecom, S.A., and within the framework of the legislation in force in Spain.

On 21 July 2020, the Annual Shareholders’ Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 109 million, to be paid upfront or through instalments during the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

According to the aforementioned Shareholders’ Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2020 was equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); (ii) the shareholder remuneration corresponding to the fiscal year 2021 was equivalent to that of 2020, increased by 10% (to EUR 32.2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 was equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

On 15 December 2022, the Board of Directors approved the following Shareholders' Remuneration Policy corresponding to the fiscal years 2023 and 2024: (i) the shareholder remuneration corresponding to fiscal year 2023 will be equivalent to that of 2022 (EUR 36.6 million) increased by 10% (EUR 40.3 million); (ii) the shareholder remuneration corresponding to fiscal year 2024 will be equivalent to that of 2023 increased by 10% (EUR 44.3 million).

On 1st June 2023, the Annual Shareholders’ Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 85 million, to be paid upfront or through instalments during the years 2023, 2024 and 2025. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

During the first half of 2023, in compliance with the Parent Company´s Shareholders' Remuneration policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders’ Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,822 thousand, which represented EUR 0.016760 for each existing and outstanding share with the right to receive such cash pay-out. During the second half of 2023, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 1st June 2023, approved the distribution of a cash pay-out charged to the share premium reserve in the amount of EUR 28,468 thousand, which represents 0.04035 euros for each existing and outstanding share with the right to receive such cash pay-out.

The payment of the dividends will be made on the specific dates to be determined in each case and will be duly announced.

Notwithstanding the above, the Parent Company's ability to distribute dividends depends on a number of circumstances and factors including, but not limited to, net profit attributable to the Parent Company, any limitations included in financing agreements and Group's growth strategy. As a result of such or other circumstances and factors, the Parent Company may modify the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Parent Company will duly announce any future amendment to the Shareholders' Remuneration Policy.

Thus, the Directors of Cellnex Telecom, S.A. will submit for approval of the Annual General Shareholders' Meeting the following proposal for the distribution of the results of the year ended 31 December 2023:

	Thousands of Euros
Basis of distribution (Profit and Loss)	186,372
Distribution:	
Legal reserve	16,324
Accumulated profit and loss reserve	99,688
Reserves from retained earnings	70,360
Total	**186,372**

e) Earnings per share

The table below shows the basic and diluted earnings per share calculated by dividing the net profit for the year attributable to the shareholders of Cellnex Telecom, S.A. by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group.

Thousands of Euros	31 December 2023	31 December 2022
Profit/(loss) attributable to the Parent Company	(297,220)	(297,058)
Weighted average number of shares outstanding (Note 14.a)	668,713,007	672,772,636
Basic EPS attributable to the Parent Company (euros per share)	(0.44)	(0.44)
Diluted EPS attributable to the Parent Company (euros per share)	(0.29)	(0.29)

f) Non-controlling interests

The balance of this heading in the Group's equity includes the interest of non-controlling shareholders in the fully consolidated companies. Additionally, the balance of "Profit attributable to non-controlling interests" in the consolidated statement of comprehensive income represents the share of non-controlling shareholders in the profit for the year.

The detail of the non-controlling interests at 31 December 2023 and 2022 is as follows:

				Thousands of Euros
Non-controlling interests	%(*) owned by Cellnex as of 31/12/2023	%(*) owned by Cellnex as of 31/12/2022	31 December 2023	31 December 2022
Cellnex Switzerland subgroup	72%	72%	278,888	277,148
Nexloop [1]	51%	51%	63,008	21,063
Cellnex Netherlands subgroup [2]	70%	70%	256,561	254,559
On Tower Poland	100%	70%	—	384,012
Cellnex Nordics subgroup [3]	51%	100%	576,161	—
Others [4]	60%	60%	35,417	29,911
Total			**1,210,035**	**966,693**

(*) Corresponds to the stake owned by Cellnex in each subsidiaries, directly or indirectly.

(1) The agreement between Cellnex and Bouygues Telecom (see note 2.h of the 2020 Consolidated Financial Statements) includes certain exit agreements and provides Bouygues Telecom with call options over Nexloop's shares held by Cellnex France Groupe, upon the expiry of a given period of time (that is, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes its execution challenging, or in the event that a triggering event occurs (including the breach by Cellnex of the agreements between the shareholders). The shareholders' agreement also sets out Cellnex France's right, but not the obligation, to purchase this non-controlling interest subject to certain events, and, if exercised, Bouygues Telecom will have the obligation to sell its Nexloop's shares, subject to certain conditions and at a price to be calculated pursuant to said agreement.

(2) As detailed in Note 10, Cellnex, DIV and a Dutch foundation entered into an agreement upon closing, which set forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement. This agreement is very similar to the put option agreement of Cellnex Switzerland with DTCP executed in 2019 (see 2019 Consolidated Financial Statements). Thus, as a consequence of the terms set forth in paragraph 23 of IAS 32, the Group maintains a liability (see Note 19.c) corresponding to the contingent commitment to purchase the 30.46% (29.88% as of 31 December 2022) of Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2023 under "Non-controlling interests".

(3) The signed shareholders agreement with Stonepeak includes an agreed dividend policy that states that dividends will be distributed proportionally to its shareholder' stakes based on available cash and business plan performance with a preferential treatment towards Stonepeak in case of negative deviation on the agreed base dividends, which in turn will increase 5% annually. Additionally, the shareholders' agreement also includes certain exit provisions upon the expiry of a given period of time and provides: i) Cellnex with a call option over Cellnex Nordics' shares held by Stonepeak with exercise price equal to a multiple of the exit year's EBITDAaL, ii) a right of first offer (ROFO) for both Cellnex and Stonepeak, iii) Stonepeak with an option to sell its shareholding and Cellnex shareholding subject to certain conditions over Cellnex Nordics' shares held by Cellnex, and iv) Cellnex with an option to sell its shareholding and Stonepeak shareholding subject to certain conditions over Cellnex Nordics' shares held by Stonepeak. The investor might have, under very specific scenarios, the right of the Cellnex Nordics' sale's proceeds more than proportional to its shareholding participation to achieve an agree IRR. In relation with this exit provisions as none of the agreements reached with Stonepeaks obliges Cellnex to acquire the 49% stake sold to the investor the Group does not maintains a liability, instead, there are two derivative financial instruments, one in relation with the call option granted to Cellnex and the other one in relation with the right granted to Stonepeak to receive in some scenarios a sale's proceeds more than proportional to its shareholding participation. Both derivatives financial instruments have nil value at inception and at 31 December 2023, and will be measured in accordance to IFRS 9 paragraph 4.1.4. in subsequent reporting periods.

(4) Upon completion of the Polkomtel Acquisition, Polkomtel, Cellnex Poland and the Group entered into a buyback agreement ("Polkomtel Buyback Agreement") by virtue of which Polkomtel (or its nominee) is granted the right to require Cellnex Poland or the Group to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA) to Polkomtel (or its nominee), in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex Parent (that includes Cellnex and any legal successor to Cellnex, inclusive of any person with which it is merged or amalgamated; and such other person as is from time to time the ultimate holding company of the Cellnex Group) or gains control over Cellnex Parent, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%. The Polkomtel Buyback Agreement shall terminate if (a) there is a change of control of Polkomtel or Cyfrowy or (b) the Polkomtel MSA is terminated by Polkomtel upon execution of a master services agreement with another provider with substantially the same scope as the Polkomtel MSA.

The changes in this heading were as follows:

		Thousands of Euros
Non-controlling interests	**2023**	**2022**
At 1 January	**966,693**	**1,633,652**
Profit/(loss) for the period	(18,603)	(15,878)
Dividends	(1,937)	—
Changes in the scope of consolidation	168,612	(672,844)
Exchange differences	33,743	3,676
Capital increase from minorities	56,350	15,929
Hedge reserves and others movements	5,177	2,158
At 31 December	**1,210,035**	**966,693**

"Changes in the scope of consolidation" for 2023 amounting to EUR 169 million, mainly relates to the impact of:

I) Acquisition of an additional stake in On Tower Poland

As detailed in Note 2.h, in the first half of 2023, Cellnex Poland entered into an agreement with Iliad Purple to acquire 30% of the share capital of On Tower Poland, after which Cellnex now indirectly holds a 100% shareholding in On Tower Poland. Following the aforementioned, a decrease amounting to EUR 401 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower Poland, the transaction has led to the recognition of a negative impact of EUR 106 million under “Reserves of consolidated companies” in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Disposal of 49% stake in Sweden and Denmark to Stonepeak

As indicated in Note 2.h, on 30 November 2023 the Group completed the divestment of a 49% stake in Cellnex Nordics, which owns the Group business in Sweden and Denmark. Consequently, as a result of this transaction, the Group recognised an equity transaction carried out with a non-controlling interest that did not modify the controlling position in Cellnex Nordics (and consequently in Cellnex Sweden and Cellnex Denmark). This has led the recognition of a non-controlling interest of EUR 564,760 thousand and a positive impact of EUR 121,495 thousand under “Reserves of consolidated companies” in the consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

"Capital increase from minorities" for 2023 mainly corresponds to:

I) Capital increase in Nexloop

During the first half of 2023, Nexloop carried out a capital increase amounting to EUR 100 million, which was fully subscribed by Cellnex France Groupe and Bouygues Telecom. Therefore, the stake that both shareholders held in Nexloop, as of 31 December 2023, did not change as a result of the aforementioned transaction.

As regards the main non-controlling interest, the summarised financial information in relation to the assets, liabilities, operating results and cashflow relating to the corresponding company/subgroup incorporated in the consolidation process is as follows:

31 December 2023

Thousands of Euros

	Cellnex Switzerland subgroup	Nexloop	Cellnex Netherlands subgroup	Cellnex Nordics subgroup	Others
Non-current assets	1,948,410	1,129,524	1,442,644	1,401,095	150,163
Current assets	62,957	52,859	44,495	73,842	24,027
Total assets	**2,011,367**	**1,182,383**	**1,487,139**	**1,474,937**	**174,190**
Non-current liabilities	1,097,677	612,675	673,640	250,683	52,377
Current liabilities	226,936	416,291	(58,179)	48,450	37,535
Total liabilities	**1,324,613**	**1,028,966**	**615,461**	**299,133**	**89,912**
Net assets	**686,754**	**153,417**	**871,678**	**1,175,804**	**84,278**
Income	165,808	42,526	142,067	98,788	12,118
Expenses	(18,836)	(3,908)	(38,348)	(26,711)	(7,737)
Gross operating profit	**146,972**	**38,618**	**103,719**	**72,077**	**4,381**
Profit attributable to the shareholders	**(25,403)**	**(3,330)**	**3,486**	**(9,828)**	**(1,368)**
Operating activities	72,141	(12,737)	69,999	53,321	(14,435)
Investment activities	(5,522)	(356,910)	(20,877)	(26,995)	(59,858)
Financing activities	(40,333)	359,276	(47,636)	(25,900)	72,342
Cash flows	**26,286**	**(10,371)**	**1,486**	**426**	**(1,951)**

31 December 2022

Thousands of Euros

	Cellnex Switzerland subgroup	Nexloop	On Tower Poland	Cellnex Netherlands subgroup	Others
Non-current assets	1,908,531	747,543	1,641,346	1,471,372	90,267
Current assets	42,150	46,984	96,943	36,466	16,276
Total assets	**1,950,681**	**794,527**	**1,738,289**	**1,507,838**	**106,543**
Non-current liabilities	1,068,747	420,155	108,764	666,179	13,908
Current liabilities	201,941	297,249	322,404	(26,617)	13,280
Total liabilities	**1,270,688**	**717,404**	**431,168**	**639,562**	**27,188**
Net assets	**679,993**	**77,123**	**1,307,121**	**868,276**	**79,355**
Income	157,520	18,001	137,617	130,108	11,943
Expenses	(19,998)	667	(17,184)	(36,394)	(7,772)
Gross operating profit	**137,522**	**18,668**	**120,433**	**93,714**	**4,171**
Profit attributable to the shareholders	**4,720**	**(6,072)**	**(2,469)**	**733**	**(325)**
Operating activities	164,695	16,362	98,505	(8,711)	2,804
Investment activities	(25,566)	(288,261)	(155,642)	(381)	(8,051)
Financing activities	(121,383)	229,359	64,574	9,091	6,141
Cash flows	**17,746**	**(42,540)**	**7,437**	**(1)**	**894**

g) Profit/(loss) for the year

The contribution of each company in the scope of consolidation to consolidated profit/(loss) is as follows:

	Thousands of Euros	
	2023	2022
Cellnex Telecom, S.A.	(224,564)	(201,725)
Cellnex Telecom España, S.L.U.	(1,897)	(3,476)
Retevisión-I, S.A.U.	94,542	81,948
Tradia Telecom, S.A.U.	20,281	19,366
On Tower Telecom Infraestructuras, S.A.U.	24,535	19,737
Towerco, S.p.A.	—	(11)
Cellnex Italia, S.p.A.	3,586	(27,013)
Cellnex Netherlands, Group	6,171	(4,192)
Cellnex France, S.A.S.	58,545	(31,511)
Cellnex UK subgroup (formerly Shere Group subgroup)	(68,022)	(47,366)
Cellnex Switzerland AG	(276)	(1,432)
Swiss Towers AG	(12,133)	12,905
Cellnex France Groupe, S.A.S.	(38,013)	(43,109)
Xarxa Oberta de Comunicació i Tecnología de Catalunya, S.A.	4,258	4,507
Swiss Infra Services AG	(12,942)	(6,715)
Cignal subgroup	(2,152)	(845)
On Tower Netherlands subgroup	3,103	871
On Tower France	(37,335)	(67,534)
OMTEL, Estruturas de Comunicaçoes	7,237	17,999
On Tower Portugal	6,498	5,001
CLNX Portugal	(32,002)	(24,239)
Nexloop France, S.A.S.	(3,330)	(6,072)
On Tower UK subgroup	(2,217)	88,970
Cellnex Finland Subgroup	(2,707)	(1,401)
Cellnex Finance Company, S.A.	189,949	67,163
Metrocall, S.A.	(443)	(594)
Cellnex Nordics, S.L.	125	—
Cellnex Denmark Subgroup	(5,812)	(4,692)
Cellnex Sweden Subgroup	(4,141)	2,239
Cellnex Austria Subgroup	(30,653)	(18,517)
Cellnex Poland Subgroup	(22,181)	(14,274)
Cellnex Ireland Subgroup	(6,387)	(5,192)
Cignal Infrastructure NL	(3,245)	4,054
Towerlink France	(26,426)	(18,570)
CK Hutchison Italia, S.p.A	—	1,511
Hivory	(161,161)	(81,113)
Spanish companies accounted using equity method	(93)	95
Others	(17,918)	(13,831)
Net profit attributable to the Parent Company	**(297,220)**	**(297,058)**

15. Borrowings

Overview

The breakdown of borrowings at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
	31 December 2023			31 December 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	13,448,285	855,387	14,303,672	13,939,425	105,985	14,045,410
Loans and credit facilities	4,344,652	47,185	4,391,837	3,803,414	34,764	3,838,178
Other financial liabilities	12,955	3,822	16,777	4,497	2,603	7,100
Borrowings	**17,805,892**	**906,394**	**18,712,286**	**17,747,336**	**143,352**	**17,890,688**

During the year ended at 31 December 2023, the Group increased its borrowings from bond issues and loans and credit facilities (which do not include any debt held by Group companies registered using the equity method of consolidation, “Derivative Financial Instruments” or “Other financial liabilities”) by EUR 811,921 thousand to EUR 18,695,509 thousand.

The net increase in “Loans and credit facilities” was mainly due to:

- On 27 February 2023 the Group entered into a EUR 700,000 thousand term loan facility with 5 year maturity. The purpose of this agreement was mainly to refinance the outstanding GBP 600,000 thousand term loan facility through its subsidiary Cellnex UK. In this case the term loan was executed by Cellnex Finance.

- On 11 May 2023 and 24 July 2023 the Group signed a EUR 150,000 thousand and EUR 315,000 thousand terms loans facilities with a 5 year bullet maturity and 8 year average maturity, respectively, that have been fully drawn.

- On 24 July 2023 Nexloop France extended its existing EUR 600,000 thousand credit facility with a new EUR 100,000 thousand tranche credit facility also maturing in 2028.

- On 31 July 2023 Swiss Towers early cancelled the CHF 620,000 thousand financing by signing a new facility for CHF 580,000 thousand maturing in 2028.

- On 30 November 2023 the Group made a EUR 200,000 thousand partial repayment of the financing signed on 13 November 2020 for EUR 1,250,000 thousand term loan facility with a 5 year maturity being the outstanding amount as of 31 December 2023 EUR 1,050,000 thousand term loan facility.

Additionally, during the year ended on 31 December 2023, the following financing agreements have been signed or modified: i) In relation with the EUR 135,000 thousand Senior Facility Agreement signed on 27 October 2022 by Cellnex France Infrastructures consisting of EUR 120,000 thousand term loan facility to partially finance the deployment of new sites, and a EUR 15,000 thousand revolving credit facility to finance or reimburse VAT amounts related to Cellnex France Infrastructures project cost, the revolving credit facility has been reduced to EUR 10,000 thousand ii) on 26 June 2023, the Group amended and decreased EUR 200,000 thousand of GBP and CHF undrawn credit facilities to increase a EUR 100,000 thousand credit facility to EUR 300,000 thousand.

In relation with bonds, on July and August 2023 the Group has issued a new convertible bond (the “2023 Convertible Bond”) for an amount of EUR 1,000 million, convertible into new and/or exchangeable for existing ordinary shares, and has also repurchased the outstanding amount of the EUR 600 million senior unsecured convertible bonds due 2026 issued on 16 January 2018 (EUR 575 million at settlement date) and the outstanding amount of the EUR 200 million senior unsecured convertible bonds due 2026 issued on 21 January 2019 (EUR 192 million at settlement date]) for a total amount of EUR 1,066 million.

As part of the commitment to sustainability, Cellnex has designed this Sustainability-Linked Financing Framework (“the Framework”) to reinforce the role of sustainability as an integral part of the Group’s funding process. Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework is aligned with the best practices as described by the International Capital Market Association’s (“ICMA”), the Sustainability-Linked Bond Principles (“SLBP”) 2020, the Loan Market Association’s (“LMA”), the Sustainability-Linked Loan Principles 2023 (“SLLP”) and will also provide investors with further insights into the Group’s sustainability strategy and commitments. As described below in the accompanying

Note 15, Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

Borrowings by fixed/variable rate

As of 31 December 2023 and 2022, the Group's fixed rate notional debt amounted to EUR 14,319,702 thousand and EUR 13,890,563 thousand, representing 76% and 77% of its Gross Financial Debt excluding lease liabilities (EUR 2,814,419 thousand and EUR 2,985,855 thousand, respectively), whereas the Group's variable rate notional debt amounted to EUR 4,481,629 thousand and 4,158,549 thousand, representing 24% and 23% of its Gross Financial Debt excluding lease liabilities, respectively. As of 31 December 2023, the estimated sensitivity in the Group's financial costs to a 1% change (increase or decrease) in the interest rate, both fixed and variable, is as follows. The amount of the Group's financial costs from fixed gross financial debt excluding lease liabilities would remain unchanged. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would increase by EUR 44,997 thousand in the event of a 1% interest rate increase and the amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would decrease by EUR 44,997 thousand in the event of a 1% interest rate decrease.

Borrowings: Cash flow reconciliation

Pursuant to the amendments to IAS 7, a reconciliation of the cash flows arising from financing activities is set out below, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

31 December 2023

Thousands of Euros

	1/1/2023	Cash flows	Exchange rate	Other	31/12/2023
Bond issues	14,045,410	176,756	8,527	72,979	14,303,672
Loans and credit facilities and other financial liabilities [1]	3,845,278	510,567	33,296	19,473	4,408,614
Borrowings	**17,890,688**	**687,323**	**41,823**	**92,452**	**18,712,286**

[1] It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

31 December 2022

Thousands of Euros

	1/1/2022	Cash flows	Exchange rate	Other	31/12/2022
Bond issues	13,565,690	382,525	52,659	44,536	**14,045,410**
Loans and credit facilities and other financial liabilities [1]	2,068,365	1,761,154	(9,556)	25,315	**3,845,278**
Borrowings	**15,634,055**	**2,143,679**	**43,103**	**69,851**	**17,890,688**

[1] It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

As of 31 December 2023 and 2022, the Group's loans and credit facilities were arranged under market conditions and, therefore, their fair value does not differ significantly from their carrying amount. In the case of bond issues, which are traded in active markets, their fair value amounts to EUR 13,287 million and EUR 12,067 million, respectively (based on the market prices at the reporting date).

Borrowings by maturity

The maturities of the Group's borrowings based on the repayment schedule as of 31 December 2023 and 2022 are shown in the table below:

31 December 2023

Thousands of Euros

		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,428,249	883,985	608,605	1,726,123	1,709,784	1,865,775	7,669,298	**14,463,570**
Arrangement expenses	—	(28,598)	(28,035)	(24,199)	(18,751)	(15,319)	(44,996)	**(159,898)**
Loans and credit facilities (*)	7,553,300	50,225	1,164,023	258,631	512,785	1,959,808	461,182	**4,406,654**
Arrangement expenses	—	(3,040)	(2,137)	(977)	(642)	(6,113)	(1,908)	**(14,817)**
Other financial liabilities	4,216	3,822	5,725	4,809	474	474	1,473	**16,777**
Total	**21,985,765**	**906,394**	**1,748,181**	**1,964,387**	**2,203,650**	**3,804,625**	**8,085,049**	**18,712,286**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

31 December 2022

Thousands of Euros

		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,215,194	135,400	752,431	602,167	2,462,029	1,698,520	8,575,650	**14,226,197**
Arrangement expenses	—	(29,415)	(28,507)	(27,962)	(22,257)	(17,464)	(55,182)	**(180,787)**
Loans and credit facilities (*)	7,178,743	41,625	1,257,220	1,344,467	254,974	512,666	448,261	**3,859,213**
Arrangement expenses	—	(6,861)	(3,988)	(1,611)	(8,575)	—	—	**(21,035)**
Other financial liabilities	2,986	2,603	1,836	434	322	333	1,572	**7,100**
Total	**21,396,923**	**143,352**	**1,978,992**	**1,917,495**	**2,686,493**	**2,194,055**	**8,970,301**	**17,890,688**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

In January 2024 the maturing EUR 750,000 thousand bond redemption has been paid with existing cash.

Borrowings by type of debt

Thousands of Euros

	Notional as of 31 December 2023 (*)			Notional as of 31 December 2022 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,428,249	14,428,249	—	14,215,194	14,215,194	—
Loans and credit facilities	7,553,300	4,373,082	3,180,218	7,178,743	3,833,917	3,344,826
Total	**21,981,549**	**18,801,331**	**3,180,218**	**21,393,937**	**18,049,111**	**3,344,826**

(*) Includes the notional value of each borrowing type, and are not the gross or net value of the heading. See "Borrowings by maturity".

As of 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as of 31 December 2022), of which EUR 3,958,011 thousand in credit facilities and EUR 3,595,290 thousand in loans (EUR 3,885,212 thousand in credit facilities and EUR 3,293,530 thousand in loans as of 31 December 2022).

Furthermore, of the EUR 7,553,300 thousand of loans and credit facilities available (EUR 7,178,743 thousand as of 31 December 2022), EUR 3,237,683 thousand (EUR 4,110,625 thousand as of 31 December 2022) can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD).

As of 31 December 2023 the total amount drawn down of the loans and credit facilities was EUR 4,373,082 thousand (EUR 3,833,917 thousand drawn down as of 31 December 2022).

Borrowings by currency

Thousands of Euros

	31 December 2023	31 December 2022
Euro	17,218,316	15,769,952
GBP	63,154	744,275
USD	553,283	573,071
CHF	1,055,408	1,005,212
Borrowings	**18,890,161**	**18,092,510**

(*) The amounts shown in the preceding table relate to the cash flows set forth in the contracts, which differ from the carrying amount of the borrowings due to the effect of applying IFRS criteria, especially IFRS9.

As described in Note 4.a-I, the foreign exchange risk on the net investment of operations of the Group companies denominated in non-Euro currencies is managed by means of borrowings denominated in the corresponding foreign currency or by means of cross currency swaps (see Note 11).

As of 31 December 2023 and 2022, the Group maintained bonds and borrowings in CHF, which act as a natural hedge of the net investment in the Group's Swiss subsidiaries. The Group issued three bonds in CHF: CHF 185,000 thousand (EUR 189,007 thousand), CHF 100,000 thousand (EUR 102,166 thousand) and CHF 150,000 thousand (EUR 153,249 thousand). The maturity of these bonds are in 2027, 2025 and 2026, respectively). These non-derivative financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries.

During 2023 the Group cancelled a Cross Currency Swap (“CCS”) for EUR 450,000 thousand and an equivalent sterling value of GBP 382,000 thousand which were designated together with the bond issue of EUR 450,000 thousand executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group’s subsidiaries. In addition, the Group also cancelled through its subsidiary Cellnex UK a GBP 600,000 thousand term loan facility with a Euro value of EUR 674,400 thousand. Such transaction was executed on March 2023 and financed with the EUR 700,000 thousand. These non-derivative financial instruments were assigned as net investment hedges against the net assets of subsidiaries in the United Kingdom.

Finally, the Group maintains a Cross Currency Swap ("CCS") for the bond issue of the USD 600,000 thousand which enabled the Group to obtain approximately EUR 505,000 thousand.

Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2023 and 2022 is as follows:

I) EMTN Programme and the Guaranteed EMTN Programme

From 2015 to May 2020, the Group established and subsequently renewed a Euro Medium Term Note Programme (the “EMTN Programme”) through the Parent Company. This EMTN Programme was registered on the Irish Stock Exchange Plc, trading as Euronext Dublin, allowing for the issue of bonds up to an aggregate amount of EUR 10,000,000 thousand. After the establishment of the Guaranteed EMTN Programme by Cellnex Finance (as defined below), the Group has ceased to renew the EMTN Programme with the Parent Company.

Since December 2020, Cellnex Finance is the leading financing entity of the Group. Thus, a Guaranteed Euro Medium Term Note Programme (the “Guaranteed EMTN Programme”) was set up in Cellnex Finance, guaranteed by the Parent Company, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of EUR 10,000,000 thousand. The Guaranteed EMTN Programme has been renewed in August 2023 for a period of 12 months with a maximum aggregate amount of EUR 15,000,000 thousand and it is structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022.

Since March 2016 Cellnex has been part of the list of companies whose corporate bonds are eligible for the Corporate Sector Purchase Programme (CSPP) by European Central Bank (ECB).

Cellnex has issued the bonds described in the table below, all of them addressed to qualified investors:

31 December 2023

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2023 (Thousands of Euros)
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2,38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3,88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2,88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2,27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2,20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1,90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1,0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	199,784
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	107,991
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	161,987
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25%(1)	1,000,000
Total							**10,535,262**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

(2) Coupon rate switched to floating with an Interest Rate Swap for EUR 500,000 thousand

Bond issuances during 2023

There have no bond issues during 2023.

31 December 2022

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2022 (Thousands of Euros)
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	187,874
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	101,553
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	152,330
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25% (1)	1,000,000
Total							**10,507,257**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

Bond issuances during 2022

On 30 March 2022, Cellnex completed the pricing of a EUR-denominated bond issuance for an amount of EUR 1,000,000 thousand (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors under its Euro Medium Term Note Program (EMTN Program) and guaranteed by Cellnex. The bond is maturing in April 2026, has a coupon of 2.25% and was issued at a price of 98.932% of its nominal value. In addition, the Group entered into an interest rate swap agreement for EUR 500,000 thousand in order to partially transform the issuance from fixed-to-floating rate (see Note 11).

The bond issuances denominated in euro are listed on the Irish Stock Exchange (ISE), Plc. (ISE) trading as Euronext Dublin, and the bond issuances denominated in Swiss francs are listed on the Swiss Stock Exchange (SIX).

In this regard, during the year ended 31 December 2022, the first bond issued in 2015 by the Group of EUR 600,000 thousand had matured and was fully repaid.

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 12,121 thousand as of 31 December 2023 (EUR 17,475 thousand in 2022), which the Group defers over the life of the bonds and are taken to the consolidated income statement following a financial criteria. In this regard, an amount of EUR 159,898 thousand and EUR 180,787 thousand was deducted from bond issues in the consolidated balance sheet as of 31 December 2023 and 2022, respectively. The arrangement expenses and advisor's fees accrued in the consolidated income statement for the year ended 31 December 2023 in relation to the bond issues amounted to EUR 33,010 thousand (EUR 27,595 thousand in 2022).

II) Rule 144A / Regulation S Bonds (United States) - USD Bonds

In the third quarter of 2021, Cellnex Finance completed and settled a senior unsecured US Dollar-denominated bond issuance, guaranteed by the Parent Company, for a nominal amount of USD 600,000 thousand (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The bond was issued at a price of 98.724% of its nominal value in US dollars, with a maturity date in July 2041 and a coupon of 3.875% in US dollars.

Simultaneously, Cellnex Finance entered into several Cross-currency Swaps by virtue of which Cellnex lent the USD 600,000 thousand from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505,000 thousand at a coupon of 2.5%.

The bonds are listed on the Vienna MTF of the Vienna Stock Exchange since 7 July 2021.

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2023 (Thousands of Euros)
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875 %	542,986
Total						**542,986**

III) Convertible Bonds

The Group has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

31 December 2023

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2023 (Thousands of Euros)
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0,50%	865,775
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0,75%	1,454,444
11/08/2023	7 years	11/08/2023	BBB-/NA	XS2597741102	2.13%	946,368
Total						**3,266,587**

31 December 2022

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2022 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	570,945
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	188,931
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0.50%	851,510
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75%	1,436,105
Total						**3,047,491**

In August 2023, Cellnex issued new senior unsecured convertible bonds, for a total amount EUR 1,000,000 thousand (the “2023 Convertible Bond”). The underlying number of shares of the 2023 Convertible Bond is equivalent to c.2.3% of Cellnex’s share capital as of the issue date. Bondholders may request Cellnex to repurchase the 2023 Convertible Bond (i) in the event of a change of control of the Parent Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

The 2023 Convertible Bond has a coupon of 2.125% per annum of the notional amount payable annually in arrears. Cellnex may redeem all (but not part) of the 2023 Convertible Bond on or after 1 September 2028, if the market value of the underlying shares per EUR 100,000 of principal amount exceeds 150% of the accreted principal amount during a specified period of time or, at any time, if more than 85% of the aggregate principal amount initially issued has been converted and/or redeemed and/or purchased and cancelled. The 2023 Convertible Bond will mature on 11 August 2030. Any Bonds which have not been previously converted, redeemed or repurchased and cancelled by this time, will be redeemed in full at an accreted principal amount (principal amount plus a redemption premium) equal to 114.8% of their principal amount, implying a yield to maturity of 4.0% per annum.

The initial conversion price of the 2023 Convertible Bond has been set at EUR 62.42, which represents a premium of 62.5% above the volume weighted average price of a Share on the Spanish Automated Quotation System (Mercado Continuo) between opening and close of trading today. The initial conversion price of the 2023 Convertible Bonds is subject to customary anti-dilution adjustments. Considering the redemption premium embedded in the accreted principal amount payable at maturity of the 2023 Convertible Bonds, the effective conversion price will be €71.66. The 2023 Convertible Bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 936 million, corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, EUR 63,770 thousand, due to the bondholder option to convert into shares, included in the heading “Reserves from retained earnings and other reserves”.

Additionally, and concurrent to 2023 Convertible Bonds issuance, between August and September 2023, Cellnex repurchased the outstanding convertible bonds issued in 2018 and 2019 with a maturity in 2026, totalling EUR 767 million at settlement date, including accrued and unpaid interest. The total consideration paid has been i) EUR 1,066,391 thousand in cash; and ii) 108,578 treasury shares in exchange for the bonds where conversion rights were exercised (EUR 3,200 thousand of notional amount). As stated in IAS 32.AG33-34, the total consideration paid to cancel the convertible bonds before maturity has been allocate among the components liability and equity of the instrument. In this regards, the allocation method to the instrument’s liability and equity components has been consistent with the methodology that was applied in the original allocation of proceeds between these components on initial recognition, resulting in EUR 747 million of liability component and EUR 322 million equity component, resulting (a) a gain amounting to EUR 19,376 thousand related to the compensation liability component that has been recognised as a result of the year; and (b) a loss amounting to EUR 322,409 thousand related to the equity component that has been recognised as equity.

As of 31 December 2023, no further amount neither of the convertible bonds with maturity date 2026 nor of the convertible bonds with maturity in 2028 and 2031 has been converted into shares. As of 31 December 2022, an amount of EUR 4,600 thousand of the convertible bond with maturity date 2026 was converted into shares and the rest was repurchased. According to these conversion notices, the Group delivered 156,086 shares to the bondholders.

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 3,267 million (EUR 3,047 million as of 31 December 2022), corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading “Reserves from retained earnings and other reserves”.

The Convertible Bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Clauses regarding changes of control

The terms and conditions of the bonds issued or to be issued under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and of the Convertible Bonds include a change of control put clause (at the option of bondholders), which could result in their respective early repayment and/or its conversion into shares (in case of the Convertible Bonds only).

For the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and, the USD Bonds, the bondholders' put option can only be triggered if a change of control event occurs and there is a rating downgrade caused by the change of control event (as defined in the terms and conditions of the EMTN Programme, the Guaranteed EMTN Programme and the USD Bonds). For the Convertible Bonds, the put option can be triggered if a change of control occurs or if a tender offer triggering event occurs (as defined in the terms and conditions of the Convertible Bonds).

Under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and the Convertible Bonds, a “change of control event” is defined as the acquisition of more than 50% of the voting rights in respect of Cellnex or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Bonds obligations and restrictions

As at 31 December 2023 and 2022, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex’s unsecured and unsubordinated borrowings.

Finally, at the date of authorization for issue of these Consolidated Financial Statements, the clauses or obligations included in the bonds terms and conditions had been fulfilled.

IV) ECP Programme

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the “ECP Programme”) with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme had a limit of EUR 500,000 thousand or its equivalent in GBP, USD and CHF. During 2021, the Group ceased to renew the ECP Programme with the Parent Company as it was established by Cellnex Finance in the fourth quarter of 2021 (the “Guaranteed ECP Programme”), following the same steps than the Guaranteed EMTN Programme. The Guaranteed ECP Programme was renewed in October 2023 for a period of 12 months with a maximum aggregate amount of EUR 750,000 thousand or its equivalent in GBP, USD and CHF. As of 31 December 2023, the Guaranteed ECP Programme had not been used.

Loans and credit facilities

As of 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as of 31 December 2022), of which EUR 3,958,011 thousand in credit facilities and EUR 3,595,290 thousand in loans (EUR 3,885,213 thousand and EUR 3,293,530 thousand respectively as of 31 December 2022).

On 27 February 2023 the Group entered into a EUR 700,000 thousand term loan facility with 5 year maturity. The purpose of this financing was mainly to refinance the outstanding GBP 600,000 thousand term loan facility through its subsidiary Cellnex UK for the agreement signed in 2019. In this case the term loan was executed by Cellnex Finance. On 11 May 2023 the Group signed a EUR 150,000 thousand term loan facility with a 5 year bullet maturity that has been fully drawn. Furthermore, on 26 June 2023 the Group amended and decreased EUR 200,000 thousand of GBP and CHF undrawn credit facilities to increase a EUR 100,000 thousand to EUR 300,000 thousand credit facility.

Additionally, on 24 July 2023 the Group signed a EUR 315,000 thousand term loan facility with a 12 year maturity that has been fully drawn with the European Investment Bank. The purpose relates to the partial financing of the Group's network infrastructure expansion, upgrade and improvement in efficiency, as well as investments in digitalization of its operations, in the following countries: France, Poland, Italy, Spain and Portugal. The average life of such agreement will be of c.8 years.

Furthermore, the Group also made a EUR 200,000 thousand partial repayment of the financing signed on 13 November 2020 for EUR 1,250,000 thousand term loan with a 5 year maturity, the outstanding amount as of 31 December 2023 EUR 1,050,000 thousand term loan facility.

On 31 July 2023 Swiss Towers cancelled early a CHF 620,000 thousand financing by signing a new financing for CHF 580,000 thousand maturing in 2028.

Additionally, on 24 July 2023 Nexloop increased its existing EUR 600,000 thousand capex facility with a new EUR 100,000 thousand tranche also maturing in 2028, to partially finance the deployment of the fiber network by Nexloop, and a EUR 20,000 thousand revolving credit facility with a 7-year-and-10-months bullet maturity to finance or reimburse VAT amounts related to Nexloop's project costs. As of 31 December 2023, the total amount drawdown of the facilities were EUR 499,267 thousand and EUR 19,999 thousand (EUR 310,767 thousand and EUR 19,999 thousand as of 31 December 2022, respectively).

Finally, on 27 October 2022 Cellnex France Infrastructures signed a EUR 135,000 thousand Senior Facility Agreement. The financing consists of a EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites, and a EUR 15,000 thousand revolving credit facility with a six year and 9 months bullet maturity to finance or reimburse VAT amounts related to Cellnex France Infrastructures project cost. During 2023, the revolving credit facility has been reduced to EUR 10,000 thousand. As of 31 December 2023 the total amount drawn down was EUR 29,650 thousand and EUR 9,465 thousand (as of 31 December 2022, no drawdowns had been made).

Clauses regarding changes of control

For the loans and credit facilities entered into by Cellnex and/or Cellnex Finance, the change of control trigger is at the Cellnex and Cellnex Finance level. For the syndicated facilities agreement entered into by Swiss Towers, the change of control trigger is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra (as defined below). For the Nexloop Facilities, the change of control trigger is measured with respect to Nexloop. For the 5-year facility agreement of the T-Mobile Infra Acquisition, the change of control trigger is measured with respect to Cellnex Netherlands and Cignal Infrastructure Netherlands (formerly T-Mobile Infra). For the Senior Facility Agreement of Cellnex France Infrastructures the change of control trigger is measured with respect to Cellnex France Infrastructures. At the Cellnex level, a "change of control event" is generally triggered when a third party, alone or together with others, acquires more than 50% of shares with voting rights, or obtains the right to appoint or dismiss the majority of the members of the board of directors of the relevant company. At the subsidiaries level, a "change of control event" is generally triggered when such subsidiary ceases to be 100% owned or majority owned by the relevant Cellnex group entity.

Loans and credit facilities obligations and restrictions on use of available funds

As at 31 December 2023 most of Cellnex's outstanding loans and credit facilities do not impose restrictions on the use of available funds. However, certain of the Group's outstanding loans and credit facilities, including the Nexloop Senior Facility and the Cellnex

France Infrastructures Senior Facility, impose restrictions on the use of drawn amounts, as these can only be used to finance the payment of Project costs.

Security interests and other covenants and undertakings

As of 31 December 2023 and 2022, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank "pari passu" with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities or the Cellnex France Infrastructures Facility, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop or Cellnex France Infrastructures Facility accordingly, and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein) or Cellnex France Infrastructures Facility, accordingly.

In addition, while most of the Group's loans and credit facilities are subject to cross-default provisions and generally do not require Cellnex nor its subsidiaries to comply with any financial ratio, some of them are subject to certain financial covenants and various restrictions, including but not limited to, (i) requiring Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC, (ii) requiring shares to be pledged and provided as collateral if certain financial ratios are not satisfied, and (iii) imposing restrictions on additional indebtedness and on the Group's ability to create or permit to subsist certain security interests. The aforementioned financial conditions are mainly associated with European Investment Bank ("EIB") and Instituto de Crédito Oficial ("ICO") loans. Additionally, prepayment obligations under certain of the Group's loans and credit facilities, including the Nexloop and Cellnex France Infrastructure Senior Facility, may be triggered as a result of the availability of certain proceeds and cash flows and breaches of certain covenants and undertakings. The financing contracts of the Group do not contain any limitations on the distribution and payment of dividends, other than the Nexloop and Cellnex France Infrastructures Senior Facilities and the syndicated facilities agreement entered into by Cellnex Netherlands and Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop, Cellnex France Infrastructures, Cellnex Netherlands, Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions.

In this regard, at the date of authorization for issue of these Consolidated Financial Statements, the clauses or obligations included in the foregoing financing agreements had been fulfilled.

Sustainable Finance

As part of the commitment to sustainability, Cellnex has designed a Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process.

Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework, which has been updated in June 2023, is aligned with the best practices as described by the International Capital Market Association's ("ICMA") Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Market Association's ("LMA") Sustainability-Linked Loan Principles 2023 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments.

Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

<u>Environmental KPIs:</u>

- KPI #1 - Environmental: Percentage reduction of Cellnex's GHG emissions:
  - KPI #1a: Absolute Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions: i) Sustainability Performance Target 2025: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020, and ii) Sustainability Performance Target 2030: 70% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2030 vs 2020.
  - KPI #1b: Absolute Scope 3 GHG emissions from purchased goods and services and capital goods. Sustainability Performance Target: 21% Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.

- KPI #2 - Environmental: Increase annual sourcing of renewable electricity. Sustainability Performance Target: Increase annual sourcing of renewable electricity to 100% by 2025.

Social KPIs:

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group. Sustainability Performance Target: Increase to 30% the percentage of women in directors and senior management/managers roles in Cellnex Group by 2025.

The selection of these KPIs has been driven by the extensive research carried out by Cellnex in 2020 to determine the ESG priorities of the telecommunication sector and the company's own. Sustainability Financing Framework (updated on June 2023) can be found at the Group's website .

As of 31 December 2023 the Group structured EUR 4.3 billion (3.4 billion as of 31 December 2022) facilities linked to the Sustainability Framework for 5 years with two of the indicators included in the Framework:

- KPI #1a: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020 and 70% in 2030 vs 2020, and

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group to 30% by 2025.

The Group achievement or failure of the established KPIs will carry out a step down or step up of c.2.5Bps of the applicable interest rate respectively. In no case, a debt default.

The Group has accomplished the KPIs included in the facilities agreement signed in 2023 and 2022. As a result, a reduction of approximately 2.5Bps is applied to the margin of each agreement.

Other financial liabilities

"Other financial liabilities" relates mainly to certain grants awarded (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.) under the Ministry for Industry, Tourism and Trade's PROFIT programme. According to the technical-financial terms of the grant resolutions, the repayable advances bear no interest.

Corporate rating

At 31 December 2023, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 7 February 2024 and a long-term "BB+" with positive outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 29 November 2023.

16. Leases

The Group leases many assets, including sites, offices, satellites, vehicles and concessions. Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the consolidated balance sheet

As of 31 December 2023 and 2022, the amounts recognised in the consolidated balance sheet related to lease agreements are:

Right of use

		Thousands of euros
		Net book value
	31 December 2023	31 December 2022 restated
Right of use		
Sites	3,012,471	3,264,905
Offices	36,235	31,335
Satellites	49,869	47,473
Vehicles	2,242	964
Concessions	—	3,060
Total	**3,100,817**	**3,347,737**

The additions of rights of use during 2023 amounted to EUR 465,222 thousand (EUR 693,663 thousand in 2022), of which EUR 138,592 thousand (EUR 234,897 thousand in 2022) related to reassessments of existing lease contracts at the year end, and there have been no changes in the scope of consolidation during 2023 (EUR 29,308 thousand during 2022) (see Notes 2.h and 6).

Lease liabilities

		Thousands of euros
	31 December 2023	31 December 2022 restated
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	777,281	746,654
One to five years	2,170,866	2,431,267
More than five years	1,001,764	993,785
Total undiscounted lease liabilities at 31 December	**3,949,911**	**4,171,706**
Lease liabilities included in the statement of financial position		
Current	696,257	576,151
Non-Current	2,118,162	2,409,704
Total	**2,814,419**	**2,985,855**

Amounts recognised in the consolidated income statement

As of 31 December 2023 and 2022, the amounts recognised in the consolidated income statement related to lease agreements are:

	Thousands of euros	
	2023	2022
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(650,163)	(599,624)
Offices	(6,311)	(5,145)
Satellites	(6,933)	(11,323)
Vehicles	(1,782)	(1,261)
Concessions	—	(977)
Total	**(665,189)**	**(618,330)**
Financial costs		
Interest expense on lease liabilities	(327,324)	(327,405)
Other operating expenses		
Expense related to contracts with low value asset	—	(3)
Expense related to variable lease payments	(3,127)	(2,020)
Total	**(3,127)**	**(2,023)**

During 2023 and 2022, the Group has not recognised in the consolidated income statement, income from subleasing right-of-use assets, nor gains or losses arising from sale and leaseback transactions by a significant amount.

Amounts recognised in the statement of cash flows

The total amount of cash outflows in relation to lease agreements during the year ended on 31 December 2023 amounts to EUR 978,296 thousand (EUR 924,451 thousand in 2022) of which EUR 524,145 thousand (EUR 464,338 thousand in 2022) related to payments of lease instalments in the ordinary course of business, EUR 327,324 thousand (EUR 327,405 thousand in 2022) related to interest payments on lease liabilities, and the remaining EUR 126,827 thousand refers to non-ordinary lease payments (EUR 132,708 thousand in 2022).

Lease agreements. Cellnex Group as lessee

i) Real estate leases

All of the amounts recognised in the balance sheet correspond to lease agreements in which Cellnex Group acts as lessee. Cellnex Group manages and operates almost all of the sites where it locates its telecommunications infrastructure using lease agreements. In addition to these sites, the Group has lease agreements related mainly to offices, car parks, vehicles and satellites. As of 31 December 2023 and 2022 there are no significant restrictions or covenants imposed by leases.

Payments associated with short-term lease agreements are recognised on a straight line basis as an expense in the consolidated profit and loss account. A short-term lease is an agreement with a lease term equal to or less than 12 months.

Likewise, payments associated with low-value lease agreements are recognised on a straight-line basis as an expense in the consolidated income statement. A low-value contract is considered one whose underlying asset has a new value of less than EUR 5 thousand.

Extension options

Regarding the lease term considered for each contract, in relation to the leases of land and buildings in which the Group locates its infrastructures, the term considered for the leases depends mainly on whether the lease contract contains or not unilateral termination clauses and / or renewal (or similar legal rights deriving from the legislation of the countries in which it operates) that grant the Group the right to terminate early or to extend the contracts, as well as the term of the contracts with customers associated with the leases and whether these contracts allow the early termination of the lease or not. The most common types of contracts and the main criteria for determining their term are detailed in Note 3.k.

The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. It reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Discount rates

The Group has generally applied the interest rate implicit in the lease contracts. In relation to the transition process, contracts prior to 2012 have been valued using an estimated incremental borrowing rate, since the Directors have considered that the determination of the implicit rate in these contracts involved considerably greater difficulty due, among other reasons, to their age. The portfolios of contracts acquired from 2012 onwards have been valued using implicit rates.

The interest rate implicit in the lease is defined by IFRS 16 as the rate of interest that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor. The interest rate implicit in the lease has been obtained with the assistance of external valuation experts, through a methodology designed for this purpose, in line with the above definition and based on the following components: fair value of the leased asset at lease commencement and end date and annual rent payments. The initial direct costs of the lessor are deemed immaterial considering the nature of the assets leased. The fair value of the leased asset has been measured using a market approach, according to which the leased asset (land or/and buildings) is valued based on observable market prices of similar assets to which adjustments related to surface area, location, size and other relevant factors are made.

The incremental borrowing rate (IBR) is defined by IFRS 16 as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR has been obtained through a methodology designed for this purpose, in line with the definition above and based on the following components: local reference rate, credit spread adjustment and lease specific adjustment. The credit spread adjustment is based on the Group’s creditworthiness and the debt issuance costs. No lease specific adjustment has been applied, as the nature of the leases is essentially the same.

Other information

The Group’s signed contract does not include any significant restrictions or covenants imposed by leases.

ii) Other leases

Cellnex leases offices, vehicles and satellites with terms of 6 to 10 years, 3 to 5 years and 3 years, respectively.

The Group also leases IT and other equipment with contract terms of one to three years. These leases are either short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

iii) Sale-and-leaseback

During 2023 and 2022, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Trade payables	400,536	560,267
Current tax liabilities	137,851	214,804
Other payables to related parties (Note 24.d)	—	138
Other payables	603,300	558,785
Trade and other payables	**1,141,687**	**1,333,994**

There is no significant difference between the fair value and the carrying amount of these liabilities.

At 31 December 2023 and 2022, “Trade payables” included mainly the amounts payable for trade purchases made by the Group and their related costs.

“Current tax liabilities” includes all balances payable by the Group to the tax authorities, as detailed in Note 18.c.

Lastly, “Other payables” is formed mainly payables to asset suppliers.

Information on average supplier payment period

The information required by the additional third decree of Law 15/2010 of 5 July (modified by the second final decree of Law 31/2014) prepared in accordance with the resolution issued by the Spanish Accounting and Auditing Institute (AAI) of 29 January 2016 in relation to the information to be disclosed in the annual consolidated report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2023	2022
Total payments in the year	310,404	320,001
Total payments outstanding	26,076	24,301
Average payment period to suppliers (days)	47 days	49 days
Ratio of transactions paid (days)	48 days	50 days
Ratio of transactions outstanding (days)	35 days	29 days

In accordance with the AAI resolution, only the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account, and only with regard to the Group companies situated in Spain and fully consolidated.

For the sole purpose of the disclosure of information required by this resolution, the term ‘suppliers’ relates to the trade payables for debts with suppliers of goods or services included in the heading "Trade and other payables" and "Lease liabilities" in the short term liabilities of the consolidated balance sheet. Moreover, only amounts relating to those Spanish entities included in the consolidated entity are considered for these purposes, and without considering intercompany transactions.

Average payment period to suppliers is understood to mean the period lapsed from the date of the invoice until the actual payment of the transaction.

The monetary volume and number of invoices paid within the established legal term is detailed below:

	Thousands of Euros	
	2023	2022
Monetary volume	203,791	216,240
Percentage of total payments made	66%	68%
Number of invoices	172,189	97,772
Percentage of total invoices	90%	83%

In December 2022, Cellnex signed a strategic Global Payment Services Agreement (reverse factoring) with a renowned financial institution, in accordance with the Group's commitment to the efficient management of payments to suppliers.

This initiative aims to provide a seamless and standardized approach to supplier transactions across all Cellnex geographies. During 2023, progress has been made in the implementation of this program at an international level, which will continue to be developed in the coming years. This program is based on the background established by Cellnex at the beginning of the COVID crisis with the Liquidity Support Plan. Furthermore, as a program linked to sustainability, it aligns the Group's financial strategies with Cellnex's dedication to responsible supply chain practices. In turn, this agreement ensures sound financial management and offers suppliers greater flexibility, including the option to access liquidity through invoice advances, fostering stronger, long-term relationships.

18. Income tax and tax situation

a) Tax information

Cellnex Telecom, S.A. has been the Parent Company of a new consolidated tax group for the purposes of Corporation tax in Spain since the 2015 financial year.

Cellnex files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 75%-owned and with tax residence in Spain. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies and Irish companies file Group Relief claims and surrenders as appropriate. Cellnex France Groupe files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 95%-owned. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns, as do Group companies resident in Denmark and Austria. In Sweden, the Group companies apply the group contribution regime from 2022. The remaining companies included in the consolidation scope file individual corporation tax returns.

Tax audits and litigations

At 31 December 2023, in general, the Group companies' returns for all applicable taxes which are not statute-barred at that date are open to inspection in each of the jurisdictions in which they are based.

In this respect, Cellnex considers that no significant losses will arise with respect to the accompanying Consolidated Financial Statements as a result of the different interpretations which may be afforded to prevailing tax law in relation to the years open to inspection.

- In July 2018 general inspection proceedings were initiated in relation to consolidated corporate income tax for 2015 and 2016 and VAT for the periods April to December 2015 (individual) and 2016 (group entities). In June 2020 agreed tax reassessments were issued in relation to corporate income tax for the years 2015 to 2018. For 2015 and 2016, the reassessments are definitive. For 2017 and 2018, the proposals are provisional, given that the inspection proceedings were limited to basically verifying the correct application of the reduction in income from the assignment of certain intangible assets. The total resulting amount in respect of tax payable amounted to EUR 3,072 thousand. The Directors of Cellnex have estimated that the criteria applied by the tax authorities do not have a material impact on the years open to audit. Also, in June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items. The allegations put forward by Cellnex were not accepted and in December 2020 final assessments were communicated. In all cases, the inspection authorities considered that the Group's approach was reasonable and they expressly stated that no penalties will be applied. In January 2021 Cellnex appealed the VAT final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities. In August 2023, the Economic-Administrative Court issued the resolution rejecting the Cellnex's claims and this resolution was appealed in October 2023 before the National Court.

- In October 2020, the Italian Tax Authorities requested a copy of Transfer Pricing documentation relating to fiscal year 2016. Following this request, in May and June 2021, the Italian Tax Authorities requested additional documentation and, in July 2022, a further meeting with the tax inspectors took place. A final assessment was agreed and closed with the Italian Tax Authorities in April 2023 without significant impact.

- In December 2021, the Dutch Tax Authorities issued initial tax assessments in relation to the amount of real estate transfer tax ("RETT") paid in respect of the 2016 acquisitions of Protelindo Netherlands B.V. and Shere Group Limited. Cellnex engaged with the Dutch Tax Authorities to appeal the assessment. During 2022, the Dutch Tax Authorities raised assessments relating to historic (2012) RETT transactions affecting Towerlink Netherlands B.V. and Shere Masten B.V., and Cellnex entered into litigation with the Dutch Tax Authorities regarding such assessments. A favorable court resolution was obtained in May 2023 in regards to Towerlink Netherlands B.V.. Subsequent to the resolution, the Dutch Tax Authorities withdrew the litigation with respect to both of the 2012 transactions. No adverse impact has arisen from the final closure of the 2012 RETT litigation.

- In December 2022, the Portuguese Tax Authorities communicated to CLNX Portugal, SA the commencement of a general tax audit in relation to corporate income tax and VAT for the year 2020. The Tax Authorities closed the audit in September 2023 with no adverse impact.

b) Corporation tax expense

The standard corporation tax rate in the main countries in which Cellnex conducts its operations is as follows:

	2023	2022
Spain	25%	25%
Italy [(1)]	28.57%	28.57%
Netherlands	25.8%	25.8%
United Kingdom [(2)]	25%	19%
France	25%	25%
Switzerland [(3)]	16.7%	18.1%
Ireland	12.5%/25%	12.5%/25%
Portugal [(4)]	21%	21%
Finland	20%	20%
Austria [(5)]	24%	25%
Denmark	22%	22%
Sweden	20.6%	20.6%
Poland	19%	19%

[(1)] The standard income tax rate is 28.57% in Italy, which is made up of the IRES (Imposta sul Reddito delle Societa) at a rate of 24% and the IRAP (regional business tax in Rome) at a rate of 4.58%.

[(2)] As of April 2023, the UK CIT rate increased from 19% to 25%. The 19% rate will continue to apply to companies with profits of less than £50,000, with marginal relief for profits of up to £250,000.

[(3)] The standard income tax rate is 16.65% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes.

[(4)] Companies with their head office in mainland Portugal are subject to Corporate Income Tax ("IRC") at a base rate of 21%, plus, as applicable, (i) up to a maximum of 1.5% of taxable income through a municipal tax ("Derrama Municipal"), and (ii) a state surcharge ("Derrama Estadual") levied at the rates of 3% on taxable income between EUR 1.5 million and EUR 7.5 million, 5% on taxable income between EUR 7.5 million and EUR 35 million and 9.0% on taxable income in excess of EUR 35 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than EUR 35 million.

[(5)] On 14 February 2022, the Austrian government published the Eco-Social Tax Reform Act 2022 in the Official Gazzette, which incorporates a gradual reduction of the current CIT rate of 24% in 2023 to 23% in 2024.

The Merger Transactions

On 1 April 2022, the merger of CK Hutchison Networks Italia S.p.A. and Towerlink Italia S.r.l. into Cellnex Italia S.p.A was completed, with Cellnex Italia S.p.A. being the surviving entity. Furthermore, on 1 July 2022, the merger of Towerco S.p.A. and Iaso Gruppo Immobiliare S.r.l. into Cellnex Italia S.p.A was completed (collectively the "Big Merger II Transaction"). The merger difference was determined at the effective accounting date (backdated to 1 January 2022) as the excess of (i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A's individual financial statements, which are prepared under Italian GAAP.

Additionally, on 1 November 2023, the merger of Nextcell Srl and Retower Srl into Cellnex Italia S.p.A was completed, with Cellnex Italia S.p.A. being the surviving entity. The merger difference was determined at the effective accounting date (backdated to 1 January 2023) as the excess of i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A's individual financial statements.

With regards to the goodwill generated by the Big Merger II Transaction and the Nextcell Srl and Retower Srl into Cellnex Italia S.p.A merge, Cellnex Italia S.p.A shall pay a substitutive tax in order to generate a corresponding tax deduction of the amortisation. Such payment has not been effected as of 31 December 2023.

The reconciliation of the theoretical tax and the tax expense recorded in the consolidated income statement for the year is as follows:

		Thousands of Euros
	2023	2022
Consolidated profit/(loss) before tax	(436,412)	(502,882)
Theoretical tax [1]	103,426	99,840
Impact on tax expense from (permanent differences):		
Non-deductible expenses	2,758	23,399
Other deductions	12,358	5,529
Income tax (expense)/credit for the year	**118,542**	**128,768**
Tax loss carryforwards	—	5,639
Changes in tax rates	—	4,385
Other tax effects	2,047	51,154
Other tax effects	**2,047**	**61,178**
Income tax (expense)/credit	**120,589**	**189,946**

[1] The theoretical tax charge is a blended rate calculated by applying the individual corporation tax rate in each country to the profit before tax of each individual Group company.

"Non-deductible expenses" in 2023 and 2022 include items that, in accordance with the tax legislation of the respective consolidated companies, are not taxable or deductible.

"Other tax effects", in 2023 include, among others, the reversion of tax provisions associated with Business Combinations of approximately EUR 12 million (EUR 92 million in 2022), as the risks became remote, expired or the amounts were settled (see Note 19.c).

The main components of the income tax expense for the year (for fully consolidated companies) are:

		Thousands of Euros
	2023	2022
Current tax	(135,270)	(24,358)
Deferred tax	243,859	124,700
Tax from prior years / other	12,000	89,604
Income tax expense	**120,589**	**189,946**

"Deferred tax" in 2023 and 2022 mainly relates to the impact of the deferred tax liabilities associated with the business combinations detailed below (see Note 18.d). "Tax from prior years / other" include mainly the reversion of tax provisions previously indicated.

From the total amount of EUR 181 million relating to Income tax paid reflected in the consolidated statement of cash flows (EUR 89 million in 2022), EUR 72.6 million refers to the impact from two one-off transactions in 2023, being (i) EUR 35 million related to the Divestment Remedy on the Hivory Acquisition (see Note 7) and (ii) EUR 37.6 million related to the advanced Spanish Corporate Income Tax payment, based on accounting rather than taxable profits, relating to the disposal of 49% stake in Cellnex Nordics (see Note 2.h.IV).

For the disposal of 49% stake in Cellnex Nordics, the advanced payment shall be refunded in full following the submission of the Spanish Corporate Income Tax return in July 2024, which is included in the Corporate Income Tax asset (see Note 2.h.IV).

Global Minimum Tax ("Pillar Two")

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The legislation will be effective for the Group's financial year beginning 1 January 2024 and given the countries which have enacted or committed to enact the legislation, the Group has performed an assessment of the potential exposure to Pillar Two income taxes.

The assessment is based on the most recent tax filings, country-by-country reporting for 2022, and the latest financial information for 2023. Based on the assessment carried out as of 31 December 2023, the Pillar Two transitional safe harbours are likely to be applicable in the jurisdictions in which the Group operates and, therefore, the Group does not expect a material exposure to Pillar Two income taxes.

Furthermore, the IASB and AASB have issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 according to which it is not required to disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. In line with this amendment, the Group has applied this exception in the Financial Statements for the fiscal year ending at 31 December 2023.

c) Current tax liabilities

The breakdown of "Current tax liabilities" is as follows:

Thousands of Euros

	31 December 2023	31 December 2022
VAT payable	100,806	151,207
Corporate income tax	21,043	47,367
Social security payable	5,622	6,444
Personal income tax withholdings	4,024	3,861
Other taxes	6,356	5,925
Current tax liabilities	**137,851**	**214,804**

d) Deferred taxes

The balance of the recognised deferred assets and liabilities, as well as their movement during the financial year, was as follows:

Thousands of Euros

	2023		2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
At 1 January	**641,090**	**(4,268,135)**	**673,024**	**(3,826,048)**
Debits/(credits) in income statement	703	243,156	(34,594)	154,908
Debits/(credits) due to incorporation into scope and business combinations	—	—	5,166	(617,986)
Debits/(credits) to equity	(10,587)	2,507	(7,027)	(25,868)
Transfers	4,937	—	12,212	(2)
Changes in tax rates	—	—	(11,170)	15,555
Exchange differences and others	(34,234)	56,918	3,479	31,306
At 31 December	**601,909**	**(3,965,554)**	**641,090**	**(4,268,135)**

Deferred tax assets

The balance comprises temporary differences attributable to:

	Thousands of Euros	
	31 December 2023	31 December 2022
Deferred tax assets:		
Business combinations	54,637	54,452
Provision for third-party liabilities	66,528	68,201
Limit on depreciation and amortisation of fixed assets	49,070	8,622
Employee benefit obligations	17,129	10,391
Other provisions	27,185	—
Timing differences in revenue and expense recognition	21,115	69,254
IFRS 16 net deferred tax asset	603,675	669,361
Provision for asset retirement obligation	14,096	3,597
Asset revaluation	163,765	182,108
Tax credits recognised:		
Tax loss carry forwards	53,620	84,806
Limit on deductibility of financial expenses	85,246	101,675
Total deferred tax assets	**1,156,066**	**1,252,467**
Set-off of IFRS 16 net deferred tax asset pursuant to set-off provisions(1)	(554,157)	(611,377)
Net deferred tax assets	**601,909**	**641,090**

(1) According to IAS 12:74 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Business combinations

It refers to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (see Note 6).

Provision for third-party liabilities

The Group has yet to fully utilise the tax credit recognised in 2019 for the collective redundancy procedure, which at year-end 2019 was only partially paid.

Limit on depreciation and amortisation of fixed assets

Spanish Act 16/2012, limiting the deductibility of the depreciation and amortisation expenses, was approved on 27 December 2012. In general, only 70% of the amortisation and depreciation for accounting purposes on property, plant and equipment, intangible assets and investment property for tax periods beginning in 2013 and 2014, which would have been tax deductible, will be deducted from the tax base. The amortisation and depreciation for accounting purposes that was not tax deductible is deducted on a straight-line basis over a 10-year period or over the useful life of the asset from the first tax period that begins in 2015.

This heading also includes the limit on the amortisation of the asset revaluation given that it is amortised for tax purposes, from the first tax period beginning on or after 1 January 2015, over the tax periods in the remaining useful lives of the revalued asset, under the same terms and conditions related to renewals and extensions.

Other provisions

The deferred tax asset included in “Other Provisions” relates to other temporary differences, primarily relating to France, Spain and Italy.

Timing differences in revenue and expense recognition

Tangible assets may be depreciated for UK tax purposes according to specific rules (“Capital Allowances”). Temporary differences arise upon the application of Capital Allowances, given the differences between the book values and tax values of such tangible assets.

Asset revaluation

Deferred tax assets include unused tax credits and the temporary differences recognised at year-end.

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent Company's Directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

In addition, this heading include the deferred tax assets that Hutchison Austria and Hutchison Denmark had in their books when they became part of the Group in the year ended 31 December 2020, as the "Business Combinations" heading includes only the tax effect associated with the revalued assets and liabilities, and not that relating to the assets and liabilities held by the acquired company in its separate books.

Tax losses carry forwards

As at 31 December 2023 the tax losses generated by the Spanish entities amounted to EUR 163.8 million (EUR 204.1 million at 2022 year-end). This amount corresponds to Cellnex Telecom, S.A. and results from the application of the Additional Provision (19th) in the Spanish Corporate Income Tax Law (as detailed below).

In addition, the Group had tax losses from UK companies available for carry forward against future profits, as detailed below:

- Non-trade loan relationship deficit of EUR 40.6 million (EUR 40.6 million at 2022 year-end, restated) which related to GBP 34.5 million (GBP 34.5 million at 2022 year-end, restated), which is available to offset future non-trade income and capital gains of the company that incurred the loss, and

- Trading losses of EUR 23.9 million (EUR 14.3 million at 2022 year-end), which related to GBP 20.3 million (GBP 12.1 million at 2022 year-end) are available to offset against future trading profits generated by the same company that incurred the loss.

With regards to other territories where the Group has presence, as at 31 December 2023 the tax losses from the Irish, Austrian, Portuguese, Finnish, Swiss and Polish companies available for carry forward against future profits amounted to EUR 11.3 million, EUR 20.7 million, EUR 10.5 million, EUR 15 million, EUR 19.1 million and EUR 51.9 million. As at 31 December 2022, tax losses from Irish, Austrian, Portuguese, Finnish, Swiss, Polish and French companies available for carry forward against future profits, amounted to EUR 12.8 million, EUR 22.9 million, EUR 6.4 million, EUR 11.7 million (restated), EUR 16.9 million, EUR 33.9 million and EUR 105.6 million. Thus, as at 31 December 2023, the total amount of tax losses available for carry forward against future profits amounted to EUR 356.9 million (EUR 469.3 million at 2022 year-end).

In the accompanying consolidated balance sheet at 31 December 2023, the total balance of deferred tax asset arising on the losses carried forward amounted to EUR 53.6 million (EUR 84 million at 2022 year-end), relating to Spain, UK and Portugal in the amounts of EUR 41 million, EUR 8.4 million and EUR 4.2 million, respectively. As at 31 December 2022, a material deferred tax asset arising on the losses carried forward was recognized in relation to Spain and France in the amounts of EUR 51 million and EUR 34 million.

In Spain, although the consolidated statement of profit or loss reflects accounting losses for 2023 and 2022 (which, in turn, include the impact of adjustments that affect only the accounting profit or loss, such as the depreciation and amortisation charge associated with fair value adjustments stemming from business combinations), Cellnex Finance Company, S.A. and its grant of loans to the foreign subsidiaries is a factor that offsets the application of the limits on the deductibility of finance costs on the basis of EBITDA and, accordingly, will contribute to the ability to generate taxable profits.

In January 2024, the Constitutional Court of Spain ruled against the tax measures introduced by the Royal Decree 3/2016 which, amongst other impacts, limited the use of tax losses carry forward for taxpayers with net revenues equal to or above EUR 20 million. Based on the current understanding of the application of such judgement and as reflected in the 2023 Consolidated Financial Statements, the Group has applied tax losses carried forward in 2023 subject to a 70% limitation in Spain, which has led to the offsetting of all the Group's tax losses available as of 31 December 2022, and has generated the corresponding impact of reducing the deferred tax assets and increasing the corporate income tax asset.

Finally, the deferred tax asset arising on the tax losses carried forward has also been affected by the Law 38/2022, which introduced an Additional Provision (19th) in the Spanish Corporate Income Tax Law that modified the rules for determining the consolidated tax base of the Spanish tax group for 2023. This new measure limited the use of tax losses generated on a standalone basis to 50% of the taxable profits of the tax group. As a consequence, the resulting non-deducted tax losses will be offset from the consolidated tax base of the Spanish tax group on a linear basis over a 10-year period from 2024, without limitation.

Limit on deductibility of financial expenses

The Spanish CIT legislation limits the deductibility of the net financial expenses, for the periods beginning on 1 January 2012. This act establishes that the net financial expenses will be deductible from the tax base with the limit of the 30% of the operating profit of the year. The net financial expenses that have not been deducted may be deducted in the following tax periods.

In this sense, with the activity of Cellnex Finance Company, S.A from 2020, the finance costs will foreseeably be deducted in full by 2028.

Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Thousands of Euros	
	31 December 2023	31 December 2022 restated
Deferred tax liabilities:		
Business combinations [1]	(3,852,192)	(4,170,449)
Accelerated depreciation and amortisation	(63,301)	(16,561)
Amortization goodwill in Spanish companies and others	(43,503)	(75,747)
Asset retirement obligation	(6,558)	(5,378)
Total deferred tax liabilities	**(3,965,554)**	**(4,268,135)**

[1] Tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (see Note 6).

Business combinations

The detail of the deferred tax liabilities recorded at 31 December 2023 and 2022 relating to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in the main business combinations and/or changes in the scope of consolidation, is as follows:

Acquisitions	Incorporation	31 December 2023	31 December 2022 restated
Cellnex Italia	2015	545,562	576,966
Cellnex Netherlands subgroup	2016	60,617	65,784
Shere Group subgroup	2016	20,022	21,110
Swiss Towers	2017	53,104	53,615
Swiss Infra Services	2020	146,643	146,751
Iliad 7	2020	329,920	350,540
On Tower UK	2020	813,348	844,998
OMTEL, Estruturas de Comunicaçoes	2020	107,690	114,617
On Tower Portugal	2020	64,294	68,209
On Tower IE	2020	—	53,134
On Tower DK	2020	62,696	66,531
On Tower AT	2020	160,056	169,471
Cignal Infrastructure Netherlands	2021	137,434	145,320
Towerlink Poland	2021	175,977	172,468
Hivory, SAS	2021	870,027	990,508
On Tower SE	2021	78,166	82,550
Cignal Infrastructure UK	2022	192,476	201,408
Others		34,160	46,469
Total		**3,852,192**	**4,170,449**

Accelerated depreciation and amortisation

On 3 December 2010, Act 13/2010 was approved, which allowed for the accelerated depreciation of new items of property, plant and equipment and investment property used in business activities, and made available to the taxpayer in tax periods beginning in 2011, 2012, 2013, 2014 and 2015. This measure gave rise to a temporary difference between depreciation for accounting and for tax purposes.

Expected schedule for reversal of the deferred tax assets and liabilities

In most cases, the use of the Group's deferred tax assets and liabilities is conditional upon the future performance of the business activities carried out by its various subsidiaries, the tax regulations of the different countries in which they operate, and the strategic decisions to which they may be subject.

Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the consolidated balance sheet at 31 December 2023 and 2022 will be used as follows:

			Thousand of Euros
			31 December 2023
	Less than one year	**More than one year**	**Total**
Deferred tax assets	26,484	575,425	**601,909**
Deferred tax liabilities	616,672	3,348,882	**3,965,554**

			Thousand of Euros
			31 December 2022
	Less than one year	**More than one year**	**Total**
Deferred tax assets	9,060	632,030	**641,090**
Deferred tax liabilities	35,851	4,232,284	**4,268,135**

The deferred tax assets indicated above were recognised in the attached consolidated balance sheet as the Parent's Directors consider that, based on their best estimated of the tax group's future earnings it is probable that these assets will be recovered.

19. Employee benefit obligations and provisions and other liabilities

a) Contingent liabilities

At 31 December 2023, the Group has guarantees with third parties amounting to EUR 122,990 thousand (EUR 123,258 thousand at the 2022 year-end). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

On 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Group filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNMC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. On 27 July 2022, the appeal was dismissed and an application to submit a new appeal was filed against such decision, which was formally admitted on 1 June 2023. On 11 December 2023, the Supreme Court confirmed that the State Attorney had submitted an opposition to such appeal and that the Supreme Court shall issue its decision in due course. To date, the decision on the merits of the appeal is still pending. Based on the opinion of its legal advisers, the provision recorded in this regard at 31 December 2023 and 2022 amounted to EUR 18.7 million, recorded in "current provisions and other liabilities" of the accompanying consolidated balance sheet.

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for having abused its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centers of Cellnex Telecom, S.A. for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, the Group filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passes a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that the Group did not break any competition rules. On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and was awaiting the return of the file to the CNMC for the recalculation of the sanction. Following the corresponding calculation procedure, the CNMC ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., filed an appeal against such decision before the National Appellate Court. On 23 March 2023, such appeal was dismissed by the National Appellate Court. On 15 June 2023, Cellnex Telecom, S.A., filed an application to submit a new appeal. Such appeal has been unadmitted, and in January 2024 Cellnex Telecom S.A. has filed an appeal to declare the annulment of the decision declaring the non-admission as a previous step to filing an appeal for constitutional protection (“recurso de amparo”) before the Constitutional Court. The filing of the appeal does not suspend the ruling of the National Appellate Court and, therefore, the CNMC may ask for the execution of the bank guarantee deposited in the National Appellate Court. The original guarantee was provided on 4 February 2020. With regard to these proceedings, on 31 December 2023 and 2022, the provision recognised based on the opinion of their legal advisers, amounted to EUR 13.7 million, registered in “current provisions and other liabilities” and “non-current provisions and other liabilities”, respectively, of the accompanying consolidated balance sheet.

Moreover, and in the context of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spun-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Cellnex Telecom, S.A. will be responsible for paying these fines. At 31 December 2023 and 2022, Cellnex Telecom, S.A. had provided three guarantees amounting to EUR 32.5 million to cover the disputed rulings with the CNMC explained above.

In relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. The ruling ordered Spain to recover the amount of the aid received. Retevisión-I, S.A.U. lodged an appeal on October 2013 against such decision which was dismissed on 26 November 2015. On 5 February 2017, a further appeal was filed. On 20 December 2017, the Court of Justice of the European Union (CJEU) issued a judgment by which it annulled the decisions of 19 June 2013 and 26 November 2015 aforementioned. After such annulment, the European Commission reopened its investigation and issues a new decision on 10 June 2021, concluding that the aid system was against the European Union’s legislation and, therefore, the aid had to be recovered. Based on this, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 116 million (EUR 93.2 million as of 31 December 2022). See Note 13.b. On 5 November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. On 10 June 2022, the General Court of the EU ended the written stage of the procedure, and the hearing took place on 5 October 2023. To date, the General Court of the European Union has still not ruled on such appeal, although it is expected during the first quarter of 2024. In the event that, in any of the aforementioned proceedings, there is a court ruling requesting the recovery of the amounts claimed, or any part thereof, by the respective Administration or Public Organism, following our advisors’ criteria, the Supreme Court’s requirements would undoubtfully be met in order to achieve the success of the legal claims that would be lodged by the respective company of the Cellnex Group based on the infringement of the elementary principles of unjust enrichment prohibition and contractor’s indemnity. Consequently, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Group considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

b) Current and non-current employee benefit obligations

The detail of “Employee benefit obligations” at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
			31 December 2023			31 December 2022
	Non-current	Current	Total	Non-current	Current	Total
Defined benefit obligations	2,147	966	**3,113**	2,060	486	**2,546**
Employee benefit obligations	54,156	89,731	**143,887**	49,667	62,365	**112,032**
Employee benefit obligations	**56,303**	**90,697**	**147,000**	**51,727**	**62,851**	**114,578**

I) Current and non-current defined benefit obligations

The pension commitments and obligations are covered using insurance policies/separate entities, with the amounts not included in the balance sheet. Nevertheless, this heading includes the hedges (relevant obligations and assets) for which there is a continued legal obligation or implied obligation to meet the agreed benefits.

Together with the above obligations, the liability side of the accompanying balance sheet includes EUR 2,147 thousand (EUR 2,060 thousand in 2022) under "Non-current provisions" and EUR 966 thousand (EUR 486 thousand in 2022) under "Current provisions", relating to the measurement of the main employee commitments arising from certain non-current obligations related to employees' length of service with the Group. The amounts recognised in 2023 and 2022 for these obligations as a increase in staff costs were EUR 396 thousand and EUR 2,444 thousand (decrease) and, as a finance cost, were EUR 11 thousand and EUR 4 thousand, respectively.

In relation to the Group's defined benefit obligations with employees, the reconciliation of the opening and ending balances of the actuarial value of these obligations is as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**2,546**	**3,724**
Current service cost	186	1,274
Interest cost	11	4
Actuarial losses/(gains)	396	(2,444)
Benefits paid	(26)	(12)
At 31 December	**3,113**	**2,546**

The reconciliation of opening and ending balances of the actuarial fair value of the assets tied to these obligations is as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**1,651**	**2,829**
Sponsor contributions	593	(1,166)
Benefits paid	(26)	(12)
At 31 December	**2,218**	**1,651**

The actuarial assumptions (demographic and financial) used constitute the best estimates on the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2023	2022
Annual discount rate	3.50 %	3.50 %
Salary increase rate	9.79 %	5.53 %

II) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2021-2023)

In December 2020, the Board of Directors approved the 2021-2023 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 180 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2020 (initial starting price of the period) and the average price in the three months prior to 31 December 2023 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2021-2023 LTIP will be assessed by the Nominations, Remuneration and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the year ended 31 December 2023 by the Annual General Shareholders' Meeting.

For the 2021–2023 LTIP, the CEO must receive a 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. The rest of Management must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2023, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 8.5 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 8.5 million in reserves of the accompanying consolidated balance sheet as at 31 December 2023 (EUR 10.3 million in reserves as at 31 December 2022). The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 1.8 (reversal) million (EUR 5.4 million in 2022).

Rolling Long-term Incentive Plan (2022-2024)

In December 2021, the Board of Directors approved the 2022-2024 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Deputy CEO, the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain RLFCF per share (considering the perimeter signed as of the end of 2021 and in 2024 the perimeter will have to be adjusted in order to estimate the like-for-like RLFCF per share provided that the Company targets to execute further inorganic growth). Cellnex´s RLFCF per Share is calculated by dividing RLFCF of the period / Cellnex´s number of outstanding shares, with approximately 708 million shares considered (assuming approximately 27 million new shares issued and paid to CK Hutchison Holdings Limited).
- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.
- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").
- With a weighting of 20%, ESG metrics: i) 8% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 12% is based on three parameters: a) the employee engagement at FY21 constant perimeter (based on the pulse survey), b) the reduction of the gender pay gap by 5% at FY21 constant perimeter, and c) achieving an specific percentage of foreign Directors at the Headquarters.

Additionally, under very exceptional performance of absolute Total Shareholder Return and relative position between top 2 companies of the peer group, a booster will be applied to the pay-out capped at a maximum of 5.0x (ranking first with respect the companies of the peer group, and being the share price approximately 115€/share). The achievement of the objectives established in the 2022-2024 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the period end on 31 December 2024, by the Annual General Shareholders' Meeting.

For all the beneficiaries of the 2022—2024 LTIP, 40% of this remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares depending on the job levelling of each employee. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 31 December 2023, the estimated cost of the 2022-2024 LTIP amounts to approximately EUR 10 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 2.6 million and EUR 4.1 million in the long-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2023 (EUR 1.4 million and EUR 2.2 million, respectively, as at 31 December 2022). The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 3.0 million (EUR 3.6 million in 2022).

Rolling Long-term Incentive Plan (2023-2025)

In December 2022, the Board of Directors approved the 2023-2025 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain Free Cash Flow (FCF). Cellnex´s FCF is calculated as the recurring leveraged Free Cash Flow minus Expansion Capex and BTS Capex (which includes engineering services (WS + IS)). This is considered on a like-for-like basis as at December 2022. An adjustment of the scope will be required in 2025 to estimate the

FCF in comparable terms. This adjustment will be validated by an external auditor following an “agreed-upon procedures” assessment, as the Company may implement further inorganic growth projects.

- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.
- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").
- With a weighting of 20%, ESG metrics: i) 10% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 10% is based on two parameters: a) the employee engagement at FY22 constant perimeter (based on the pulse survey), and b) achieving an specific percentage of foreign Directors at the Headquarters.

Therefore, the maximum incentive would only be paid out in the event of achieving a maximum metric performance scenario which, in terms of total shareholder return, would mean that Cellnex's return is equal to or greater than 119.7% over the incentive measurement period and ranks 1st or 2nd among its peers. The Company deems that this would constitute an excellent performance.

As of 31 December 2023, the estimated cost of the 2023-2025 LTIP amounts to approximately EUR 28.9 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 5.8 million and EUR 3.9 million in the long-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2023. The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 9.6 million.

Engagement Plan (2023)

On 27 March 2023, the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, approved the establishment of an extraordinary multi-year engagement plan (2023-2025) for a small number of employees in the Group (approx. 80 employees), in order to promote and also acknowledge the involvement of this key talent through their leadership in achieving the Group's objectives.

The amount to be received by the beneficiaries is already defined and fixed. The essential requirements for the payment of the incentive plan are:

i. Meet the minimum level of achievement of the Group's financial targets linked to the MBO for each year,

ii. That the beneficiary is in a situation of effective provision of services for Cellnex (registered with Social Security) on the payment date.

This incentive will be fully delivered in Cellnex shares.

The plan is set for the period 2023, 2024 and 2025. One third of the total shares were delivered in September 2023, one third will be delivered in June 2024, and the last third in June 2025.

As of 31 December 2023, the estimated cost of the 2023-2025 Engagement Plan amounts to approximately EUR 4.7 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 3.1 million in reserves of the accompanying consolidated balance sheet as at 31 December 2023.

Reorganisation Plan (2018 – 2019)

During the first quarter of 2018, the Group reached an agreement with the workers’ representatives of Retevisión-I, S.A.U. and Tradia Telecom, S.A.U. regarding a collective redundancy procedure to conclude up to 175 employment contracts in 2018 and 2019 (“The Reorganisation Plan”), as detailed below.

On 27 February 2018, these group companies reached an agreement with the workers' legal representatives consisting of income plans for employees of 57 years of age or older as of 31 December 2017 and, on the other hand, lump-sum indemnity payments as a result of the voluntary termination of employment contracts for other employees not included in the annuity plan. The period during which employees could voluntarily participate in the annuity plan ended on 31 May 2018, whereas the period for claiming the lump-sum termination benefits started on 7 January 2019 and ended on 31 January 2019.

The provision for the workforce agreement was cashed out in 2018, 2019 and first months of 2020. Accordingly, efficiencies should crystalize from 2020 onwards.

This plan fits into the reorganisation process relating to the broadcasting business that is being undertaken by the Group's subsidiary companies. Under this plan, the Group is seeking to adapt its structure to the new business models, which have been widely modernised in recent years with the introduction of equipment, which can be maintained remotely, without the necessity to physically travel to the sites where the equipment is installed.

At 31 December 2018, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 55 million. As of 31 December 2020, the Reorganisation Plan was finalized.

The balance payable at 31 December 2023 associated with this collective redundancy procedure carried out by the Group represents expected payments related to this process, amounting to EUR 2.0 million and EUR 7.4 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 10.5 million and EUR 0.2 million recorded in the long and short term, respectively, at 31 December 2022).

Reorganisation Plan (2022)

In December 2021 an agreement was reached with the workers' representatives of Retevisión-I, S.A.U., Tradia Telecom, S.A.U. and On Tower Telecom Infrastructuras, S.A.U. in relation to a collective redundancy procedure to terminate up to 208 employment contracts in the period from 2022 to 2025 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees of 57 or more years of age who, during the period from 2022 to 31 March 2025 are 57 years of age or older and have a length of service of 7 years and, on the other hand, lump-sum termination benefits as a result of the voluntary termination of their employment contracts for the rest of the employees not included in the pre-retirement plan. The voluntary participation period will begin on 17 January and end on 31 May 2022.

The workforce agreement will be executed in the period from 2022 to 2025. As a result, the opex efficiencies should start to be seen from 2025.

This plan is part of the evolution of the business model (with ever greater emphasis on Telecommunications Infrastructure Services as opposed to broadcasting which was the core business until a few years ago) and technological changes (associated with the development of LTE, mobile broadband and the development of internal management systems that improve efficiency). Therefore, in the last few years work has continued on renewing equipment and automating the network supervision processes, enabling a more centralised management geared towards scheduled actions as a result of preventive maintenance.

At 31 December 2021, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 81 million. During the year ended 31 December 2023, following execution of part of this agreement, contracts ended for 57 employees for a cost of EUR 19.2 million (80 employees for a cost of EUR 23.7 million in 2022).

The balance payable at 31 December 2023 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 31.5 million and EUR 22.9 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 33.4 million and EUR 17.7 million recorded in the long and short term, respectively, at 31 December 2022).

Reorganisation Plan (2023 - 2026)

In May 2023 an agreement was reached with the workers' representatives of Cellnex Telecom, S.A. in relation to a collective redundancy procedure to terminate up to 55 employment contracts in the period from 2023 to 2026 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees who are 57 years or older during the period from 2023 to 31 December 2026 and have a length of service of 6 years and, on the other hand, incentivized redundancy plan, with a severance based on legal terms and prioritizing willfulness for the rest of employees not included in the pre-retirement plan.

The workforce agreement will be executed in the period from 2023 to 2026. As a result, the expenses efficiencies should start to be seen from 2026.

This Plan is linked to the new phase announced by the company in November 2022, focused on organic growth, based on focusing the business on the core business (TIS), not executing M&A and adapting the structure to the clustering of smaller countries for which fewer resources will be needed at the corporate level and shared services will be prioritised.

At 31 December 2023, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 20.6 million. During the year ended 31 December 2023, following execution of part of this agreement, contracts ended for 43 employees for a cost of EUR 9 million.

The balance payable at 31 December 2023 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 4.8 million and EUR 6.6 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet.

c) Provisions and other liabilities

The detail of “Provisions and other liabilities” at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
			31 December 2023			31 December 2022 restated
	Non-current	Current	Total	Non-current	Current	Total
Provisions for other responsibilities	194,842	235,237	**430,079**	533,727	12,000	**545,727**
Provision for asset retirement obligation	513,099	—	**513,099**	483,752	—	**483,752**
Provisions for sanctions in relation to the National Competition Committee	—	32,473	**32,473**	13,773	18,718	**32,491**
Cellnex Netherlands Put Option Liability	403,903	—	**403,903**	364,109	—	**364,109**
Deferred income and other liabilities	94,289	133,263	**227,552**	120,612	116,537	**237,149**
Deferred payment in relation to Omtel Acquisition	516,192	—	**516,192**	502,740	—	**502,740**
Total	**1,722,325**	**400,973**	**2,123,298**	**2,018,713**	**147,255**	**2,165,968**

i) Provisions for other responsibilities

In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. At 31 December 2023, the provisions for other responsibilities amounted to EUR 430,079 thousand (EUR 545,727 thousand at 2022 year-end). Regarding the Business Combinations executed during the previous years, certain risks associated with the business acquired have been assessed by the Group with the assistance of independent third party experts. Following this analysis and in accordance with IFRS 3.22-23, no provisions have been registered in 2023 and 2022 (see Note 6). During 2023, the Group has reversed provisions associated with Business Combinations of approximately EUR 12 million (EUR 97 million in 2022) as the risks became remote, expired or the amounts were settled. These provisions have been executed against income tax (see Note 18.b). The expectations of the Group are that the provisions recognised will either be settled or will expire within the coming years, based on the statute of limitation for the corresponding provision, in accordance with the tax legislation of each country, which is: EUR 79,627 thousand between 1 and 2 years, EUR 89,713 thousand between 2 and 3 years and EUR 25,502 thousand in more than 3 years.

ii) Provisions for asset retirement obligation

The heading also includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures. (See Note 3.h.). As at 31 December 2023, the provision for asset retirement obligation, amounted to EUR 513,099 thousand (EUR 483,752 thousand at 2022 year-end, restated). As a result of the movement of the year a positive impact amounting to EUR 20 million has been recognized in “Depreciation, amortisation and results from disposals of fixed assets” caption of the accompanying consolidated income statement (EUR 108 million in 2022).

iii) Provisions for sanctions in relation to the National Competition Committee

Moreover, the heading includes the possible sanctions levied by the National Competition Committee (Note 19.a), which have been recorded in the consolidated balance sheet as of 31 December 2023 and 2022 for an amount of EUR 32.5 million as the cash flow outflow has been estimated as probable.

iv) Cellnex Netherlands Put Option Liability

Furthermore, during 2021, in relation to the T-Mobile Infra Acquisition (see Note 6 of the 2021 Consolidated Financial Statements), Cellnex, DIV and a Dutch foundation entered into an agreement, which sets forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement (the "T-Mobile Infra Put Option"). If the T-Mobile Infra Put Option is exercised, the purchase price for the shares would be their fair value calculated according to certain formulae included in the T-Mobile Infra Put Option agreement, over a maximum period of 5 years. The T-Mobile Infra Put Option could be exercised over a maximum period of five years, and Cellnex may choose to pay the purchase price in case of an exercise either in cash or with Cellnex shares. The method used for the measurement of the T-Mobile Infra Put Option is based on the best estimate, at the measurement date, of the present value of the amount that must be paid when the put option is exercised (pursuant to "IAS 32 - Financial Instruments"). The estimate of the aforementioned amount could vary depending on the evolution of parameters related to market value, determined according to the option contract entered into by the parties, of the aforementioned non-controlling interest, but does not include other variable elements. The liability recognised for the aforementioned agreement was measured by calculating discounted cash flows on the basis of the percentage of ownership. Also, the measurement includes the related financial effect. Thus, at 31 December 2023 and 31 December 2022 the aforementioned liability was recognised at its fair value. At subsequent reporting dates, this amount could be increased on the basis of its fair value; there is no maximum amount for this value, since it depends on the market value of the ownership interest. The price of this acquisition is therefore uncertain and will undoubtedly be expected to be inflationary, given the favourable performance of such assets (see Note 14.f.). Thus, as at 31 December 2023, based on the best estimation of the T-Mobile Infra Put Option and taking into account all the available information, the Group has recognised a provision of EUR 403,903 thousand (EUR 364,109 thousand at 2022 year-end) for this item in “provisions and other liabilities long-term" of the accompanying consolidated balance sheet.

v) Deferred income and other liabilities

In addition, this item also mainly includes deferred income in certain subsidiaries in which, at the closing date, there was invoicing collected in advance, in accordance with the corresponding contractual conditions with customers, as well as amounts claimed from Group companies in ongoing litigation at the year end. The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against by the aforementioned companies. At 31 December 2023, this heading amounted to EUR 227,552 thousand (EUR 237,149 thousand at 2022 year-end).

vi) Deferred payment in relation to Omtel Acquisition

Finally, in the context of the Omtel Acquisition (see Notes 2.h and 6 of the 2020 Consolidated Financial Statements), this amount includes the remaining balance of the total acquisition price, amounting to EUR 570 million, which will be paid, on the earlier of 31 December 2027 or upon the occurrence of certain events of default. The amount of the aforementioned deferred payment is updated to its present value, at an annual market discount rate of 2.65%, at each period end. Therefore, as of 31 December 2023, the present value of the deferred payment amounted to EUR 516,192 thousand (EUR 502,740 thousand at 2022 year-end). Thus, the impact on “financial costs” of the accompanying consolidated income statement for 2023 amounted to EUR 13,452 thousand (EUR 13,452 thousand in 2022).

The expectations of the Group are that the provisions and other liabilities detailed above, other than "provisions for other responsibilities", will either be settled or will expire within the coming years beyond to 2025.

20. Revenue and expenses

a) Operating income

The detail of operating income by item for the 2023 and 2022 financial years is as follows:

		Thousands of Euros
	2023	**2022**
Services (Gross)	3,808,059	3,251,155
Other operating income	245,147	247,467
Advances to customers (Note 13.b)	(3,983)	(3,442)
Operating income	**4,049,223**	**3,495,180**

"Services (Gross)" includes revenues from the three different customer focused units: Telecom Infrastructure Services (which include Engineering Services), Broadcasting Infrastructure and Other Network Services. It also includes the utility fee for an amount of EUR 149,290 thousand at 31 December 2023 (EUR 71,257 thousand in 2022) which consists of energy pass-through included within the service fee charged to our customers. “Other operating income” mainly includes income from re-charging costs related to activities for renting tower infrastructures for site rentals to third parties (pass-through). “Advances to customers” includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures.

Contracted revenue

The contracted revenue “Backlog” represents management’s estimate of the amount of contracted revenues, either through Master Service Agreements (“MSA”) or through Master Lease Agreements (“MLA”) of the Group's structures, that the Group expect will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date. It also incorporates fixed escalators but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the accompanying Consolidated Financial Statements, contracts for services have renewable terms including, in some cases, “all or nothing” clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.

The total amount, by line of business, of the Group’s revenue expected from the service agreements (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) entered into by the Group and that were in force at 31 December 2023 and 2022 are as follows:

Contracted revenue	Thousands of Euros			
	2023			
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	220,907	233,779	72,965	527,651
Italy	—	621,123	—	621,123
Netherlands	—	89,051	—	89,051
France	—	633,454	—	633,454
United Kingdom	—	469,878	—	469,878
Switzerland	—	131,857	—	131,857
Ireland (1)	—	58,958	—	58,958
Portugal	—	140,988	—	140,988
Austria	—	79,072	—	79,072
Denmark	—	35,925	—	35,925
Sweden	—	61,898	—	61,898
Poland	—	403,592	—	403,592
Less than one year	220,907	2,959,575	72,965	3,253,447
Spain	315,805	788,207	105,013	1,209,025
Italy	—	2,348,302	—	2,348,302
Netherlands	—	309,786	—	309,786
France	—	2,850,254	—	2,850,254
United Kingdom	—	1,780,331	—	1,780,331
Switzerland	—	536,309	—	536,309
Ireland (1)	—	288,340	—	288,340
Portugal	—	558,476	—	558,476
Austria	—	316,289	—	316,289
Denmark	—	143,701	—	143,701
Sweden	—	238,851	—	238,851
Poland	—	1,634,208	—	1,634,208
Between one and five years	315,805	11,793,054	105,013	12,213,872
Spain	16,820	2,487,686	62,728	2,567,234
Italy	—	10,455,531	—	10,455,531
Netherlands	—	1,249,872	—	1,249,872
France	—	23,795,628	—	23,795,628
United Kingdom	—	10,807,146	—	10,807,146
Switzerland	—	4,290,747	—	4,290,747
Ireland (1)	—	1,036,335	—	1,036,335
Portugal	—	2,533,216	—	2,533,216
Austria	—	1,739,590	—	1,739,590
Denmark	—	773,483	—	773,483
Sweden	—	1,302,546	—	1,302,546
Poland	—	16,041,258	—	16,041,258
More than five years	**16,820**	**76,513,039**	**62,728**	**76,592,587**
Domestic	**553,532**	**3,509,671**	**240,707**	**4,303,910**
International	**—**	**87,755,997**	**—**	**87,755,997**
Total	**553,532**	**91,265,668**	**240,707**	**92,059,907**

(*) At 31 December 2023, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December, 2023 would increase to EUR 110 billion approximately, on a run rate basis.

(1) As detailed in Note 7, the Group is carrying out an asset portfolio assessment from an industrial perspective. As a result of such analysis Cellnex might decide to divest the Group's operations in Ireland. To the extent that as of 31 December 2023 (i) the assets are available for disposal at their condition at that date, (ii) the process to locate buyers at prices reasonable in relation to their fair value has already been initiated and authorized by Group management, and (iii), it is expected to complete the sale in 2024, the Group has classified the assets and their associated non-current liabilities in Ireland as "Non-current assets held for sale" at 31 December 2023.

Contracted revenue	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
				Thousands of Euros
				2022
Spain	181,258	222,610	86,871	490,740
Italy	—	673,677	—	673,677
Netherlands	—	131,439	—	131,439
France	—	689,002	—	689,002
United Kingdom	—	459,609	—	459,609
Switzerland	—	143,381	—	143,381
Ireland	—	56,825	—	56,825
Portugal	—	126,857	—	126,857
Austria	—	75,869	—	75,869
Denmark	—	33,477	—	33,477
Sweden	—	57,300	—	57,300
Poland	—	353,264	—	353,264
Less than one year	181,258	3,023,311	86,871	3,291,441
Spain	232,897	790,231	202,043	1,225,170
Italy	—	3,021,295	—	3,021,295
Netherlands	—	435,762	—	435,762
France	—	2,875,541	—	2,875,541
United Kingdom	—	1,613,410	—	1,613,410
Switzerland	—	514,116	—	514,116
Ireland	—	207,777	—	207,777
Portugal	—	498,730	—	498,730
Austria	—	303,477	—	303,477
Denmark	—	133,908	—	133,908
Sweden	—	219,434	—	219,434
Poland	—	1,389,473	—	1,389,473
Between one and five years	232,897	12,003,154	202,043	12,438,093
Spain	20,002	2,464,515	93,100	2,577,617
Italy	—	11,717,958	—	11,717,958
Netherlands	—	1,339,287	—	1,339,287
France	—	25,474,707	—	25,474,707
United Kingdom	—	9,244,353	—	9,244,353
Switzerland	—	4,269,164	—	4,269,164
Ireland	—	983,645	—	983,645
Portugal	—	2,455,970	—	2,455,970
Austria	—	1,744,993	—	1,744,993
Denmark	—	756,041	—	756,041
Sweden	—	1,242,406	—	1,242,406
Poland	—	14,004,166	—	14,004,166
More than five years	**20,002**	**75,697,205**	**93,100**	**75,810,307**
Domestic	**434,157**	**3,477,356**	**382,014**	**4,293,527**
International	**—**	**87,246,314**	**—**	**87,246,314**
Total	**434,157**	**90,723,671**	**382,014**	**91,539,841**

(*) At 31 December 2022, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December,2022 would increase to EUR 110 billion approximately, on a run rate basis.

b) Staff costs

The detail of staff costs by item is as follows:

	Thousands of Euros	
	2023	2022
Wages and salaries	(247,147)	(208,180)
Social Security contributions	(44,372)	(40,554)
Retirement fund and other contingencies and commitments	(26,753)	(4,021)
Other employee benefit costs	(15,712)	(17,628)
Staff costs	**(333,984)**	**(270,383)**

The average number of employees at the Cellnex Group, its subsidiaries and associates in 2023 and 2022, broken down by job category and gender, is as follows:

			2023			2022
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management [1]	6	2	**8**	7	2	**9**
Middle management	299	118	**417**	318	98	**416**
Other employees	1,728	794	**2,522**	1,711	792	**2,503**
Average number of employees	**2,034**	**914**	**2,948**	**2,037**	**892**	**2,929**

The number of employees at the Cellnex Group at the end of the 2023 and 2022 financial years, broken down by job category and gender, was as follows:

			2023			2022
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management [1]	11	2	**13**	6	2	**8**
Middle management	285	125	**410**	336	105	**441**
Other employees	1,686	756	**2,442**	1,746	822	**2,568**
Number of employees at year-end	**1,983**	**883**	**2,866**	**2,089**	**929**	**3,018**

At 31 December 2023 and 2022 the Board of Directors of the Parent Company was formed of 13 members, 6 of which were male and 7 were female (11 members in 2022, 5 of which were male, and 6 were female).

c) Other operating expenses

The detail of other operating expenses by item for the 2023 and 2022 financial years is as follows:

	Thousands of Euros	
	2023	2022
Repairs and maintenance	(111,246)	(91,969)
Utilities	(366,014)	(283,085)
Other operating costs	(307,378)	(283,464)
Other operating expenses	**(784,638)**	**(658,518)**

[1] The Chief Executive Officer is not included in the category of Senior Management disclosed. The breakdown of the Senior Management including the Chief Executive Officer is disclosed in Annex 6 of the Consolidated Management Report (GRI 405-1 Diversity of governance bodies and employees).

The detail of lease expense by class included in "Other operating costs" for the 2023 and 2022 financial years is as follows

		Thousands of Euros
	2023	2022
Leases of low-value assets	—	(3)
Variable lease payments	(3,127)	(2,020)
Lease expense	**(3,127)**	**(2,023)**

At 31 December 2023 and 2022, the Group did not recognise gains or losses arising from sale and leaseback transactions by a significant amount.

d) Non-recurring and non-cash expenses

As of 31 December 2023 and 2022, the items “Staff costs” and “Other operating expenses” above, contains (i) certain expenses that are non-recurring, or (ii) certain expenses that do not represent a cash flow, as detailed below:

i. Donations, which relate to a financial contribution by Cellnex to different institutions (non-recurring item), amounted to EUR 1,126 thousand (EUR 1,832 thousand at 2022 year-end).

ii. Redundancy provision, which mainly includes the impact in 2023 and 2022 year-end derived from the reorganisation plans detailed in Note 19.b of these Consolidated Financial Statements (non-recurring item), amounted to EUR 29,942 thousand (EUR 3,367 thousand at 2022 year-end).

iii. LTIP remuneration, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.b of these Consolidated Financial Statements, non-cash item), amounted to EUR 14,977 thousand (EUR 16,649 thousand at 2022 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 7,326 thousand (EUR 418 thousand at 2022 year-end).

iv. Costs and taxes related to acquisitions and divestments, which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 24,353 thousand (EUR 53,717 thousand at 2022 year-end).

e) Depreciation, amortisation and results from disposals of fixed assets

The detail of “Depreciation, amortisation and results from disposals of fixed assets” in the consolidated income statement for the 2023 and 2022 financial years is as follows:

		Thousands of Euros
	2023	2022
Property, plant and equipment (Note 8)	(808,925)	(702,490)
Right-of-use assets (Note 16)	(665,189)	(618,330)
Intangible assets (Note 9)	(1,145,098)	(1,037,527)
Others	66,577	37,653
Total	**(2,552,635)**	**(2,320,694)**

As at 31 December 2023 and 2022, the “Others” line mainly includes the impact derived from the result of the disposal of fixed assets (see Note 7) and the impact derived from changes to the contractual obligation to dismantle and decommission the mobile telecom infrastructures, that arose from a revision in the timing or amount of the estimated decommissioning costs or from a change in the current market-based discount rate, in accordance with IFRIC 1 (see Note 19.c).

f) Net interest expense

The detail of net interest expense by item for the 2023 and 2022 financial years is as follows:

	Thousands of Euros	
	2023	2022
Finance income and interest from third parties	67,228	21,715
Changes in fair value of financial instruments	(8,365)	(77)
Equity swap	14,943	—
Exchange gains/(losses)	2,639	881
Total interest income	**76,445**	**22,519**

	Thousands of Euros	
	2023	2022
Interest expense on lease liabilities (Note 16)	(327,324)	(327,405)
Finance costs and interest arising from third parties	(169,877)	(57,005)
Bond interest expense	(238,711)	(235,857)
Arrangement expenses and Convertible Bond Accretion	(99,290)	(86,739)
Interest cost relating to provisions	(22,151)	(22,027)
Derivative financial instruments	—	(668)
Other finance costs	(26,941)	(21,777)
Total interest expense	**(884,294)**	**(751,478)**

21. Contingencies, commitments and obligations

a) Contingencies

As at 31 December 2023, the contingent liabilities of the Cellnex Group are those detailed in Note 19.a of the accompanying Consolidated Financial Statements.

b) Commitments and obligations

i) Agreements between Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures to dispose approximately 3,200 urban sites in France

As described in Note 7, in the first quarter of 2022, the Group entered into two agreements with the aim to fulfil the disposals required by the FCA as a condition for the approval of the Hivory Acquisition (see Note 6 of the 2022 Consolidated Financial Statements).

Firstly, Cellnex France and Phoenix France Infrastructures (in the presence of Bouygues Telecom) entered into a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures) 2,000 sites located in very dense areas of France. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 690 million (EUR 600 million, net of taxes). The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. The sale is structured in five lots of sites and its completion is expected to take place during 2023 and 2024. During 2023, the sale of 1,127 sites to Phoenix France Infrastructures has been carried out for a price of approximately EUR 384 million, with an impact in “Depreciation, amortization and results from disposals of fixed assets” (see Note 20.e.) of the accompanying consolidated income statement.

In addition, Hivory, Cellnex France Groupe and Phoenix Tower France II (a company of the Phoenix Tower International group, formerly known as PTI Alligator BidCo) entered into a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France. The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. During 2023. the sale has been carried out at a price of approximately EUR 275 million (EUR 235 million, net of taxes), without significant impact in the accompanying consolidated income statement.

As of 31 December 2023, the sales of the lots five and six, totalling approximately 850 sites, were still pending and its completion is expected to take place during 2024 with an associated expected cash in of EUR 360 million.

ii) Disposal of the private networks business

On 10 November 2023, the Group reached an agreement pursuant to which it would sell to Boldyn Networks its private networks business unit which largely includes Edzcom, a 100% owned subsidiary of the Group in Finland that specializes in connectivity solutions for private networks in industrial complexes and environments. The agreed price amounts to approximately EUR 31 million. The Group completed the sale on 29 February 2024.

As mentioned in Note 7, the Group is carrying out an asset portfolio assessment in order to find opportunities that allow increasing the profitability of the base of operations, creating value through the arbitrage of multiples and simplifying the Group's structure as well as concentrating management bandwidth. The uses will be dedicated to the repayment of debt with a short-term maturity and higher cost.

iii) Other purchase commitments

As at 31 December 2023, the purchase commitments for tangible and intangible assets are those detailed in Notes 8 and 9 of the accompanying Consolidated Financial Statements.

22. Environmental information

Group's key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the Parent Company's stakeholders. References to countries in this section correspond to the operations of the Group in the relevant geography.

In this regard, in 2021, the Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy, both updated in 2023. These policies outline Cellnex's commitment to the application of best practices in the countries in which the Group operates and based on international benchmark standards. It is the Group's policy to pay maximum attention to environmental protection and conservation, and it seeks to adopt the necessary measures to minimize the environmental impact of the infrastructure and the telecommunications networks that it manages and ensure the maximum degree of integration into the surrounding area.

Within Cellnex's Environmental, Social and Governance Policy (ESG), three basic principles are established whose application is transversal in all lines of action and commitments, where one of the principles is the Environment and Climate Change: the protection and preservation of the environment, preserving the surroundings and its biodiversity, in which the Group's activities are carried out, through the use of renewable energies, mitigating and adapting to climate change, and contributing to sustainable development through the efficient use of resources.

Additionally, within the environmental management system already implemented and certified under ISO 14001 standard. Cellnex periodically updates the identification and evaluation of its environmental aspects, risks and opportunities related to the Group's activity and the derived environmental impacts, as well as the significance criteria. The most significant impacts are extracted from these evaluations, to which end a monitoring system is established and actions are planned to mitigate them.

The Group has worked to assess the risks and opportunities derived from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities are included in the Environment and Climate Change functional unit in order to form part of the company's general risk management. Thus, the potential impact of a risk and the probability of its occurrence are evaluated, considering the substantial impacts, based on the following areas: i) Economic: (in the income statement and / or investments), ii) operational (level of processes' interruption and of the effect on third parties) and iii) reputation (media impact and possible liability action), and where the assessment of the impact varies from low, medium, important and critical. After the impact assessment, the likelihood of the risk occurring must be assessed.

Additionally, the Group has carried out a climate scenario analysis, as recommended by the TCFD, which allows the Group to understand and define the level of resilience against different future states related to climate change. In 2023, for physical risks, a RCP 8.5 scenario was used, and for transitional risks, NGFS Climate Scenarios were used. Based on these scenarios, Cellnex has defined a series of time horizons, which are determined by the probabilities and the reaction time by Cellnex (short, medium and long term). The results obtained from the analysis allow Cellnex to anticipate possible impacts and inform and influence its strategy and commercial objectives, thus further increasing its resilience and having the necessary tools to face possible future climate risks.

As a result of the climate-related risk assessments performed, some climate risks have been identified in relation with potential future regulation, reputation, acute physical (floods, storms, fires), among others. Furthermore, in 2022 Cellnex developed a Climate Change Adaptation Plan, through a vulnerability analysis of the infrastructures to climate change. The main objective of the Cellnex Climate Change Adaptation Plan is to prevent or reduce present and future damage from climate change. Two periods were analysed under a RCP 8.5 scenario: 2011-2040 and 2041-2070. The variables analysed were: temperature, precipitation, wind, storm surge, sea level rise, flooding, fires and landslides. The climatic variable that primarily affects all assets at both horizons is temperature, affecting only 2% of Cellnex's assets in the period 2011-2040. The main financial impact of the physical risk is associated, on the one hand, with the increase in the cooling needs of site equipment, as a result of the increase in temperatures and, therefore, of the associated indirect costs. On the other hand, the financial impact of the risk related to the increase in the sea level, has been estimated based on the costs of reconstruction and relocation of the assets potentially affected by these coastal phenomena. The potential annualized economic impact has been estimated between EUR 11 thousand in OpEx and EUR 1,575 thousand for revenues, which has been calculated assuming an increase in our electricity consumption for cooling needs of around 85.626 MWh in 2030 and the three electricity price scenarios. The annualized impact on assets value loss it is estimated around EUR 25,956 thousand.

Owing to the nature of Cellnex's business, the most important material environmental aspect is energy. In this context, the Group monitors its energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society. From an economic point of view, in the majority of contracts with the MNO and costumers, the energy costs are passed through to them since the Group only manage the necessary infrastructure and access to energy, and transparently pass energy costs on to customers. Considering pass through costs up to 70%, the difference between the annual energy costs compared to future ones is estimated. This value varies depending on the scenario contemplated: EUR 11,952 thousand under Delayed transition scenario and EUR 9,192 thousand under Net Zero 2050 scenario. However, Cellnex's current situation reflects a higher pass-through, up to 84%, plus an additional 7% of Cellnex hedged consumption. This implies that in the next analysis of this risk, the estimated financial impact will be lower than the one currently calculated.

The risk of increase in energy prices has also been assessed. Cellnex is hedged against most of the energy price inflation given the Pass though figure that enables the company to translate the majority of the electricity cost to the client. Expected energy consumption in 2025 will be additionally secured, since: 100% is either passed-through (1) (c.94%) or forward hedged (2) (c.6%). Considering pass through costs up to 70% reflecting that much of the energy price increase is paid by the client, the difference between the annual energy costs compared to future ones is estimated. This value varies depending on the scenario contemplated: EUR 11,952 thousand under Delayed transition scenario and EUR 9,192 thousand under Net Zero 2050 scenario.

Risk from potential sanctions from stricter climate and environmental legislation has been assessed. This risk is associated with Cellnex Telecom's compliance with EU regulation 517/2014 of the European Parliament and of the Council of April 16, 2014 on fluorinated greenhouse gases, which provides that by 2030 fluorinated greenhouse gas emissions will be reduced by 2/3 in EU compared to 2014 levels. This is relevant to Cellnex because cooling consumption represents around 6.4% of electricity consumption (on average). Failure by Cellnex Telecom to comply with replacement of refrigerant gas obligations could imply economic sanctions deriving from such regulations. The financial impact has been calculated annually based on the potential total impact that non-compliance sanctions could have on the company. An annualized liability has been calculated from now to 2030 and from now to 2050 considering the actual impact as zero. The cost based on the financial impact position of this risk is estimated between EUR 32.908 thousand and EUR 61.115 thousand, based on sanctions that could be considered a future potential liability in TIS and Data Centres.

Financial impacts for climate opportunities have been analysed. For the opportunity to reduce operating costs related to energy consumption, the financial implications are associated with the potential economic savings derived from energy reduction measures (electricity and fuel) associated with the company's SBTs. The implementation of these actions generates energy savings and therefore cost savings in our electricity and fuel consumption. In order to estimate the possible financial implications in the future, the reduction measures contemplated in the strategic transition plan for saving fuel and electricity consumption have been applied. Based on the projections in fuel and electricity prices of the NGFS scenarios, the potential savings derived from the reduction in energy consumption have been analysed on an annual basis. These savings vary depending on the scenario contemplated between EUR 228 thousand for the Net Zero 2050 scenario, EUR 214 thousand for the current policies scenario and EUR 218 thousand for the delayed transition scenario. The impact on CapEx linked to energy efficiency and renewable energy are EUR 3.972 thousand and EUR 3.433 thousand, respectively.

The Group considers that in the context of its operations it complies with applicable environmental protection laws and the Company has procedures designed to encourage and ensure such compliance. For the years ended 31 December 2023 and 2022, the Group did not account for any provision to address potential environmental risks since it considered that there were no significant contingencies associated with potential lawsuits, indemnities or other items, as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

Finally, potential contingencies, indemnities and other environmental risks which the Group could incur are sufficiently covered by its third-party environmental liability insurance, in accordance with current legislation, of EUR 20 million.

Further information on the environmental performance of the Group is disclosed in chapter "5. Environment" of the accompanying Consolidated Management Report.

23. Segment reporting

The Group's business segment information included in this note is presented in accordance with the disclosure requirements set forth in IFRS 8, Operating Segments. This information is structured, firstly following a geographic distribution and secondly, by business segment.

Cellnex has recently expanded its business in Europe and its strategic objectives include the continuation of this growth initiative through the acquisition of assets and businesses, along with other growth opportunities both in the countries in which it is currently present and others. In this regard, as the Group continues to acquire sites in existing markets and is continuing to expand into new ones, the Group Management manages the results obtained by geographical location.

In addition, the business segments described below were established based on the organisational structure of the Cellnex Group prevailing as at 31 December 2023 and have been used by Group management to analyse the financial performance of the different operating segments.

The Group has organised its business into three different customer focused units, supported by an operations division and central corporate functions. Income from the provision of services relates mainly to:

- Telecom Infrastructure Services: this is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs, other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, housing of different clients of broadcasters and Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

Additionally the consolidated income statement for the period includes income from re-charging costs related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting Infrastructure: this is the Group’s second largest segment by turnover. Corresponding to broadcasting services in Spain, where it is the only operator offering nationwide coverage of the digital terrestrial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services in Spain, the Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things (“IoT”), Smart services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT (“Internet of Things”); and (v) other services.

Methodology and bases for Segment Reporting

The segmental reporting below is based on monthly reports drawn up by Group management and is generated by the same information system used to obtain all the accounting data at Group level.

Operating income of the corresponding segment corresponds to the ordinary revenues directly attributable to each segment and do not include interest income or dividends.

The majority of assets employed and underlying costs are derived from a shared network common to all operating business units. An allocation of such assets and costs to the business areas is not performed as part of the normal financial information reporting process used by the Group’s Management for decision-making, and Management is of the opinion that additional segmental reporting would not provide meaningful information for decision making.

The Management Committees are the maximum decision making authority. These committees evaluate the Group’s performance based on the operating profit of each company, which are not the same as the above business areas.

The assets and liabilities of each segment at 31 December 2023 and 2022 are as follows:

Thousands of Euros

31 December 2023

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Intangible assets	272,085	3,681,149	6,644,485	6,010,515	1,439,945	1,331,463	954,526	2,137,327	1,196,265	1,031,927	**24,699,687**
Right-of-use assets	309,296	662,888	875,441	390,494	244,999	124,922	76,750	246,242	99,143	70,642	**3,100,817**
Tangible fixed assets	831,049	1,715,422	5,000,286	1,138,672	258,249	549,950	256,902	1,518,930	146,403	251,012	**11,666,875**
Other non-current assets	539,611	74,543	151,825	54,423	5,216	63,141	116,603	61,767	40,531	47,517	**1,155,177**
Total non-current assets	**1,952,041**	**6,134,002**	**12,672,037**	**7,594,104**	**1,948,409**	**2,069,476**	**1,404,781**	**3,964,266**	**1,482,342**	**1,401,098**	**40,622,556**
Total current assets	**1,488,913**	**170,777**	**276,893**	**127,579**	**62,957**	**27,012**	**21,087**	**186,940**	**44,495**	**73,843**	**2,480,496**
Non-current assets held for sale	**—**	**—**	**123,199**	**—**	**—**	**—**	**—**	**—**	**—**	**1,138,993**	**1,262,192**
TOTAL ASSETS	**3,440,954**	**6,304,779**	**13,072,129**	**7,721,683**	**2,011,366**	**2,096,488**	**1,425,868**	**4,151,206**	**1,526,837**	**2,613,934**	**44,365,244**
Borrowings and bond issues	16,397,336	—	551,636	—	577,637	—	—	—	279,283	—	**17,805,892**
Lease liabilities	232,201	285,455	817,727	106,055	222,912	85,890	60,076	187,340	72,146	48,360	**2,118,162**
Other non-current liabilities	1,006,358	704,237	1,380,071	1,101,687	297,127	245,964	240,038	263,090	322,211	202,321	**5,763,104**
Total non-current liabilities	**17,635,895**	**989,692**	**2,749,434**	**1,207,742**	**1,097,676**	**331,854**	**300,114**	**450,430**	**673,640**	**250,681**	**25,687,158**
Borrowings and bond issues	896,900	—	—	—	8,905	70	(236)	—	777	(22)	**906,394**
Lease liabilities	41,436	165,343	238,583	38,477	21,691	16,267	23,954	96,726	36,236	17,544	**696,257**
Other current liabilities	(7,792,414)	638,749	4,374,773	2,659,830	196,340	626,952	225,123	568,258	(95,181)	232,174	**1,634,604**
Total current liabilities	**(6,854,078)**	**804,092**	**4,613,356**	**2,698,307**	**226,936**	**643,289**	**248,841**	**664,984**	**(58,168)**	**249,696**	**3,237,255**
Liabilities associated with non-current assets held for sale	**—**	**—**	**31,225**	**—**	**—**	**—**	**—**	**—**	**—**	**262,813**	**294,038**
TOTAL LIABILITIES	**10,781,817**	**1,793,784**	**7,394,015**	**3,906,049**	**1,324,612**	**975,143**	**548,955**	**1,115,414**	**615,472**	**763,190**	**29,218,451**

[1] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

Thousands of Euros

31 December 2022 restated

	Spain [1]	Italy	France	UK restated	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Intangible assets	277,901	3,858,399	7,312,641	6,123,898	1,421,456	1,405,208	992,372	2,069,512	1,238,748	1,949,074	**26,649,209**
Right-of-use assets	332,137	712,430	999,791	418,887	254,591	117,631	90,366	220,258	83,959	117,687	**3,347,737**
Tangible fixed assets	885,692	1,605,244	4,571,681	861,440	227,934	515,896	225,546	1,233,886	147,598	422,844	**10,697,761**
Other non-current assets	486,589	68,370	109,166	68,595	4,549	45,719	123,352	40,399	31,202	50,731	**1,028,672**
Total non-current assets	**1,982,319**	**6,244,443**	**12,993,279**	**7,472,820**	**1,908,530**	**2,084,454**	**1,431,636**	**3,564,055**	**1,501,507**	**2,540,336**	**41,723,379**
Total current assets	**1,113,946**	**194,257**	**269,663**	**148,929**	**42,150**	**66,752**	**17,843**	**216,492**	**36,466**	**115,128**	**2,221,626**
Non-current assets held for sale	**—**	**—**	**51,427**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**51,427**
TOTAL ASSETS	**3,096,265**	**6,438,700**	**13,314,369**	**7,621,749**	**1,950,680**	**2,151,206**	**1,449,479**	**3,780,547**	**1,537,973**	**2,655,464**	**43,996,432**
Borrowings and bond issues	15,916,522	—	322,195	674,177	555,778	—	—	—	278,638	26	**17,747,336**
Lease liabilities	238,768	392,015	950,415	129,478	232,232	80,615	77,489	178,909	50,966	78,817	**2,409,704**
Other non-current liabilities	990,329	717,085	1,530,108	1,287,115	280,738	254,536	247,045	314,387	336,576	405,946	**6,363,865**
Total non-current liabilities	**17,145,619**	**1,109,100**	**2,802,718**	**2,090,770**	**1,068,748**	**335,151**	**324,534**	**493,296**	**666,180**	**484,789**	**26,520,905**
Borrowings and bond issues	132,196	—	—	8,614	2,696	70	(236)	—	158	(146)	**143,352**
Lease liabilities	58,390	131,020	169,644	43,349	20,119	13,995	19,764	66,617	25,680	27,573	**576,151**
Other current liabilities	(7,317,905)	694,420	4,543,103	1,665,742	179,126	658,289	197,869	402,064	(52,455)	574,557	**1,544,810**
Total current liabilities	**(7,127,319)**	**825,440**	**4,712,747**	**1,717,705**	**201,941**	**672,354**	**217,397**	**468,681**	**(26,617)**	**601,984**	**2,264,313**
Liabilities associated with non-current assets held for sale	**—**	**—**	**21,814**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,814**
TOTAL LIABILITIES	**10,018,300**	**1,934,540**	**7,537,279**	**3,808,475**	**1,270,689**	**1,007,505**	**541,931**	**961,977**	**639,563**	**1,086,773**	**28,807,032**

[1] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

Segmental reporting is set out below:

Thousands of Euros

2023

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total (*)
Operating income	611,184	796,557	794,179	659,293	165,808	149,128	82,997	484,629	142,067	163,381	**4,049,223**
Operating expenses	(280,443)	(236,067)	(106,807)	(205,916)	(18,837)	(17,529)	(14,213)	(162,008)	(38,348)	(42,348)	**(1,122,516)**
Depreciation and amortization	(195,075)	(455,858)	(677,066)	(373,907)	(142,725)	(125,395)	(78,381)	(304,599)	(88,415)	(111,214)	**(2,552,635)**
Net Interest	13,720	(117,478)	(263,009)	(216,825)	(47,366)	(33,365)	(23,837)	(63,529)	(21,536)	(34,624)	**(807,849)**
Profit of companies accounted for using the equity method	(93)	—	—	—	—	—	—	—	(2,542)	—	**(2,635)**
Income tax	(42,866)	16,432	37,865	57,610	7,884	4,527	2,781	23,527	8,880	3,949	**120,589**
Consolidated net profit	**106,427**	**3,586**	**(214,838)**	**(79,745)**	**(35,236)**	**(22,634)**	**(30,653)**	**(21,980)**	**106**	**(20,856)**	**(315,823)**
Attributable non-controlling interest	(126)	—	(5,833)	—	(9,831)	—	—	(2)	(3,379)	568	**(18,603)**
Net profit attributable to the Parent Company	**106,553**	**3,586**	**(209,005)**	**(79,745)**	**(25,405)**	**(22,634)**	**(30,653)**	**(21,978)**	**3,485**	**(21,424)**	**(297,220)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2023. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the Consolidated Financial Statements.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

Thousands of Euros

2022

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total (*)
Operating income	565,951	735,022	749,440	386,203	157,520	129,008	78,774	412,578	130,108	150,576	**3,495,180**
Operating expenses	(261,754)	(208,554)	(102,324)	(132,163)	(19,997)	(17,633)	(13,362)	(114,791)	(36,395)	(37,197)	**(944,170)**
Depreciation and amortization	(184,963)	(451,219)	(716,695)	(272,456)	(91,833)	(95,711)	(73,830)	(270,328)	(55,455)	(108,204)	**(2,320,694)**
Net Interest	(146,476)	(114,142)	(233,532)	(78,043)	(35,466)	(21,732)	(18,220)	(46,141)	(12,514)	(22,693)	**(728,959)**
Profit of companies accounted for using the equity method	95	—	—	—	—	—	—	—	(4,334)	—	**(4,239)**
Income tax	13,966	13,253	47,515	132,625	(6,193)	1,580	8,119	3,155	(31,696)	7,622	**189,946**
Consolidated net profit	**(13,181)**	**(25,640)**	**(255,596)**	**36,166**	**4,031**	**(4,488)**	**(18,519)**	**(15,527)**	**(10,286)**	**(9,896)**	**(312,936)**
Attributable non-controlling interest	(170)	—	(7,191)	—	(689)	—	—	(1,144)	(6,684)	—	**(15,878)**
Net profit attributable to the Parent Company	**(13,011)**	**(25,640)**	**(248,405)**	**36,166**	**4,720**	**(4,488)**	**(18,519)**	**(14,383)**	**(3,602)**	**(9,896)**	**(297,058)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2022. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the consolidated financial statements of 2022 financial year.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

The Group has two customers that exceed 10% of its total revenue. The total income from these customers for the year ended on 31 December 2023 amounted to EUR 1,599,386 thousand. During 2022 financial year, the Group had two customers that exceeded 10% of its revenue and the amount ascended to EUR 1,246,507 thousand.

The information by business segment is set out below:

				Thousands of Euros
				2023
	Broadcasting infrastructure	**Telecom Infrastructure Services**	**Network Services and others**	**Total**
Services (Gross)	230,027	3,439,603	138,429	**3,808,059**
Other income	—	245,147	—	**245,147**
Advances to customers	—	(3,983)	—	**(3,983)**
Operating income	**230,027**	**3,680,767**	**138,429**	**4,049,223**

				Thousands of Euros
				2022
	Broadcasting infrastructure	**Telecom Infrastructure Services**	**Network Services and others**	**Total**
Services (Gross)	223,497	2,915,604	112,054	**3,251,155**
Other income	—	247,467	—	**247,467**
Advances to customers	—	(3,442)	—	**(3,442)**
Operating income	**223,497**	**3,159,629**	**112,054**	**3,495,180**

There have been no significant transactions between segments during 2023 and 2022.

24. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's Directors as at 31 December 2023 and 2022 was as follows:

i. The members of the Board of Directors received EUR 2,337 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 2,069 thousand in 2022).

ii. For performing senior management duties, the CEO(1):

a. received EUR 1,300 thousand, corresponding to fixed remuneration (EUR 1,300 thousand in 2022).

b. accrued EUR 1,782 thousand corresponding to annual variable remuneration, estimated assuming 129.6% of accomplishment (EUR 1,576 thousand in 2022 assuming 121% of accomplishment).

c. did not receive remuneration for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidated in December 2023 (EUR 0 thousand 2022). See Note 19.b.

Note: The provision accrued for all the LTIPs in progress, for the year ended on 31 December 2023 amounted to EUR 2,730 thousand (EUR 3,033 thousand in 2022). See Note 19.b.

iii. In addition, the Chief Executive Officer of Cellnex Telecom, S.A. received, as other benefits, contributions made to cover pensions and other remuneration in kind in the amount of EUR 325 thousand and EUR 63.4 thousand, respectively (EUR 325 thousand and EUR 33.6 thousand in 2022).

iv. Mr Marco Patuano signed an entry bonus amounting to EUR 3.5 million. This bonus will be paid 30%, in cash, in March 2024 and the remaining 70% will be paid, in shares, on the third year of his appointment as CEO of Cellnex.

v. The previous CEO's non compete accrual amounted to EUR 2,600 thousand, of which EUR 1,300 thousand were paid during the first half of 2023. It was calculated according to the parameters that were duly approved at the General Shareholders' Meeting on 28 April 2022.

Cellnex defines Senior Management as executives that perform management duties and report directly to the Chief Executive Officer. Fixed and variable remuneration for the year ended on 31 December 2023 for members of Senior Management amounted to EUR 10,547 thousand[(2)] (EUR 5,822 thousand 2022) and did not receive remuneration for the achievement of the multi-annual objectives established in all the "Long Term Incentive Plan" that consolidates in December 2023 (EUR 0 thousand in 2022). Note: The accrual of the provisions for all the LTIPs in progress, for the year ended on 31 December 2023 amounted to EUR 3,764 thousand (EUR 4,811 thousand in 2022). In addition, EUR 2,267 thousand was accrued for "non-compete" due to the exit of certain members of Senior Management.

In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of EUR 347.4 thousand and EUR 132 thousand, respectively (EUR 500 thousand and EUR 190 thousand in 2022).

The Parent Company has taken out executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the Senior Management of the Cellnex Telecom group at a cost amounting to EUR 1,266 thousand at 31 December 2023 (EUR 926 thousand in 2022).

[(1)] Please note that in these amounts are combined the remuneration received by the CEO at Cellnex. I.e. the amount received by Mr. Tobías Martínez Gimeno until 3 June 2023 and the amount received by Mr. Marco Patuano from 4 June 2023 to 31 December 2023.

[(2)] Please note that the increase in this amount compared to the prior year is due to the increase in the number of Executive Committee members to be taken into account in 2023 (from 8 to15 members), the overlap of some members of the Executive Committee for some months, and the fact that it includes the exit conditions of some members of the Executive Committee.

b) Other disclosures on Directors

In accordance with the article 229 of the Spanish Limited Liability Companies Law, the directors have reported that neither they nor any persons related to them are involved in any situations that may lead to a direct or indirect permanent conflict with the Parent Company's interests that could not be managed, if occurs, with the appropriate measures.

c) Associates companies

As of 31 December 2023 and 2022 the Group does not hold balances for significant amounts with associates companies.

For its part, during 2023 and 2022, no significant transactions have been undertaken with associates companies.

d) Other related parties

Other related parties, include shareholders (and their subsidiaries) of Cellnex Telecom, S.A. that exercise significant influence over it, those with a right to appoint a director and those with a stake above 3% (see Note 14.a).

Schema Gamma (formerly ConnecT Due) is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Mundys. As a result, as of the date of the accompanying Consolidated Financial Statements, Edizione, together with its group of companies, is considered a related party to the Group.

In addition to the dividends paid to shareholders, the breakdown of the balances held and transactions performed with significant shareholders is as follows:

I) Services rendered and received

During the year ended 31 December 2023 and 2022 no significant transactions with related parties have been undertaken.

The Group carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

II) Others

As of 31 December 2023 and 2022, the Group does not hold balances for significant amounts with related parties.

25. Other disclosures

The remuneration of the auditors for 2023 and 2022 is as follows:

								Thousands of Euros
				2023				2022
	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services
Deloitte, S.L.	1,634	108	**1,742**	**103**	1,489	223	**1,712**	**91**
Rest of Deloitte	1,953	55	**2,008**	**111**	1,932	47	**1,979**	**138**
Total	**3,587**	**163**	**3,750**	**214**	**3,421**	**270**	**3,691**	**229**

(*) Includes the limited review of the consolidated interim financial statements of the Group as of 30 June 2023 and 2022.

Please note that during 2023 and 2022 the auditors have not provided services of a tax nature.

26. Post balance sheet events

i) Disposal of the private network business

As further explained in Note 21 ii), on 29 February 2024 the Group completed the sale of its private network business.

ii) Bond maturing in January 2024 repayment

On January 2024 the maturing EUR 750,000 thousand bond redemption has been repaid with existing cash.

iii) New Financing for Cellnex Nordics

On January 2024 Cellnex Nordics signed a EUR 80,000 thousand 5-year facility to fund the future capex requirements. Drawdowns from such facility can also be made in DKK or SEK.

27. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.

Madrid, 29 February 2024.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2023

Company	Registered office	Ownership interest Cost (Thousands of Euros)	Ownership interest %	Company holding the interest	Consolidation method	Activity	Auditor
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,556,908	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	489,323	70%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,906,629	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	6,533,431	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	827,951	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	648,906	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	179,319	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,208,432	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	903,323	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,209	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited (2)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	511,181	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	3,060,691	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Nordics SL	Juan Esplandiu 11-13, 08007 Madrid	526,772	51%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Holdco 1 UK Limited (2)	Cellnex Holdo 1 UK Limited	21,598	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	115,147	21%	Cellnex Telecom, S.A.	See Note 6 of 2021 annual consolidated statements	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Indirect ownership interest:							
Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,625	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,571	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	—
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
MBA Datacenters, S.L.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	18,233	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Nextcell, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	—	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Retower, S.R.L	Via Ruggero Fauro n. 4 CAP 00197 Roma	—	100%	Cellnex Italia, S.p.A.	Full consolidation	Building equipment contractors industry	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Towerlink Netherlands, B.V. [1]	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Shere Masten B.V. [1]	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV [1]	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV [1]	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V [1]	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,600	70%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV [1]	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	396,500	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,168,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	260,020	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	82,110	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,354,549	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,442,906	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex France Infrastructures, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	8,670	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	210,503	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,138	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,272	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink UK Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	19,160	100%	Cellnex UK, Limited	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	143,473	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,548	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,851,302	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	214,166	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex UK In-Building Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	4,931	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cignal Infrastructure UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	868,119	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	867,229	72%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	1,131,344	72%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	59	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	577,233	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	532,501	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	205,496	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	53	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Hivory Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	71,386	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cellcom Ireland Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	624,597	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Rock Solid Transmission Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited (In liquidation process)(2)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Ukkoverkot Oy (2)	Gräsäntörmä 2, 02200 Espoo, Finland	6,855	100%	Cellnex Holdco 1 UK Limited	Full Consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Edzcom Oy (2)	Gräsäntörmä 2, 02200 Espoo, Finland	14,773	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	932,883	100%	Cellnex AustriaGmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	351,973	51%	Cellnex Nordics, S.L.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	463,044	51%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,619,283	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	1,520,921	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cignal Infrastructure Poland sp. z.o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	18,818	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Remer Sp. z o.o.	ul. Komitetu Obrony Robotników 45D, 02-146 Warsaw	11,619	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	615,292	51%	Cellnex Nordics, S.L.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	728,134	51%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
The Broadcast Group B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	9,903	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Technology B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Management&Operations B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Innovations B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex Newco 4 France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Cellnex Newco 2 UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
XNLC Telecom 3 S.L	Paseo de la Zona Franca 105, 08038 Barcelona	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

(2) These companies have been classified as "Non-current assets held for sale" detailed in Note 7.

This appendix forms an integral part of Note 2.h., Note 7 and Note10 to the 2023 Consolidated Financial Statements with which it should be read.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,555,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	488,455	70%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,906,811	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	6,472,965	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	821,355	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	619,544	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	178,636	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Ukkoverkot Oy	Gräsäntörmä 2, 02200 Espoo, Finland	25,766	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,206,942	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	1,000,060	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	633,002	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,035	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	499,000	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	2,542,405	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	350,005	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	113,410	21%	Cellnex Telecom, S.A.	See Note 6	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Indirect ownership interest:							
Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.LU.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,625	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. [(1)]	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,571	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	0
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
MBA Datacenters, S.L.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	18,018	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	0
Nextcell, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	3,800	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Retower, S.R.L	Via Ruggero Fauro n. 4 CAP 00197 Roma	1,731	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	0
Towerlink Netherlands, B.V. [(1)]	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	0

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
Shere Masten B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V (1)	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,600	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV (1)	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	396,500	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,168,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	260,000	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	31,110	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,354,549	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,442,906	100%	Cellnex France Groupe, S.A.S. / Hivory II, SAS	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex France Infrastructures, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,020	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
London Connectivity Partnership Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,773,662	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	207,031	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 2, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	11,247	100%	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	178	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex UK In-Building Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,758	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cignal Infrastructure UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	841,494	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	72%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	830,684	72%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	51,411	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	564,233	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	527,009	10%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	205,496	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	50	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Hivory Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	71,386	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cellcom Ireland Limited (In liquidation process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,079	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,667	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Rock Solid Transmission Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	3,574	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited [(1)]	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	2,563	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Edzcom Oy	Gräsäntörmä 2, 02200 Espoo, Finland	4,500	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	933,220	100%	Cellnex Austria Gmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	437,170	100%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,528,613	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	919,615	70%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cignal Infrastructure Poland sp. z.o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	5,269	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Remer Sp. z o.o.	ul. Komitetu Obrony Robotników 45D, 02-146 Warsaw	10,701	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	726,445	100%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h., Note 7 and Note10 to the 2023 Consolidated Financial Statements with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2023

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	16,270	11,542	4,254	28	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,277	390	1,974	458	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	945	1,122	562	(180)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	2,082	22.63 %	3,457	4,445	1,716	(954)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

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APPENDIX II. Associates included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest		Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%								
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	15,718	11,026	4,108	2	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,764	512	1,963	452	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	1,111	616	381	281	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	1,290	22.63 %	1,823	740	403	(358)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

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